



2016 – 2017 Pennsylvania Executive Budget

Governor
Tom Wolf

SCHOOLS THAT TEACH.

JOBS THAT PAY.

GOVERNMENT THAT WORKS.





COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 9, 2016

To the People of Pennsylvania:

We have a very tough set of choices to make with this year's budget. Our commonwealth is in crisis and we stand at a crossroad.

My proposed budget provides a clear path for a promising future for our state. It assumes the bipartisan budget agreement that proved elusive in December is ultimately enacted this year. It provides a spending plan for 2016-17 that builds upon that agreement. It invests in our schools, meets critical human service needs, fully funds our pension and debt obligations, and eliminates the structural budget deficit that has plagued us since the Great Recession of 2008. My proposed budget lays out the path we must follow if we want to pursue financial responsibility and a hopeful future. It proposes that the state take its rightful share of the responsibility for funding our schools; it proposes that this investment include a reasonable share for early childhood education and higher education; and it proposes that we actually fund these investments with real sources of revenue. It includes key government consolidations along with targeted investments that build upon the bipartisan budget agreement. It faces up to reality and does the difficult things we need to do to bring it into balance. It will allow us a foundation to achieve a more hopeful future for Pennsylvania.

There is another path. For far too long our commonwealth has spent in excess of revenues. The gap was always made up with one-time patches and wildly optimistic assumptions. We can choose a path that continues to ignore financial reality and pretends the commonwealth's budget is in balance when it clearly is not. That path abandons any bipartisan compromise. That path will result in a deficit of more than \$500 million by the close of this fiscal year, and would balloon to more than \$2 billion by July of 2017. All funds for our state-related universities and any other non-preferred appropriations would be eliminated. Another \$1 billion would be cut from education, doubling down on the deep cuts of the past. Human service funding for counties, intellectual disabilities and autism, home and community-based services, and child care would be reduced by \$600 million or more. This path will lead us into a dismal future of shuttered schools, higher property taxes, and lower bond ratings that lead to higher borrowing costs for state and local governments. The consequences of such action are grim. These consequences cannot be ignored.

We have a choice. We must choose a path that funds our schools, eliminates our deficit, and puts Pennsylvania back on track. It is time for us to finish the job and restore Pennsylvanians' shaken faith in their government. It is time to fund our schools. It is time to face financial reality. It is time to give Pennsylvania the bright future it deserves.

Sincerely,

Tom Wolf

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Commonwealth of Pennsylvania

For the Fiscal Year Beginning

July 1, 2015

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, 2015. 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.pa.gov. To learn more about the Commonwealth of Pennsylvania, go to www.pa.gov.

Overview of Sections within the Budget

Preface

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

Reader's Guide

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

A. Overview and Summaries

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

B. Program Budget Summary

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

C. Summary by Fund

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

D. Tax Expenditures

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

E. Department Presentations

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

F. Capital Budget

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

G. Public Debt

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

H. Other Special Funds

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

I. Complement

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

J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.

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READER'S GUIDE

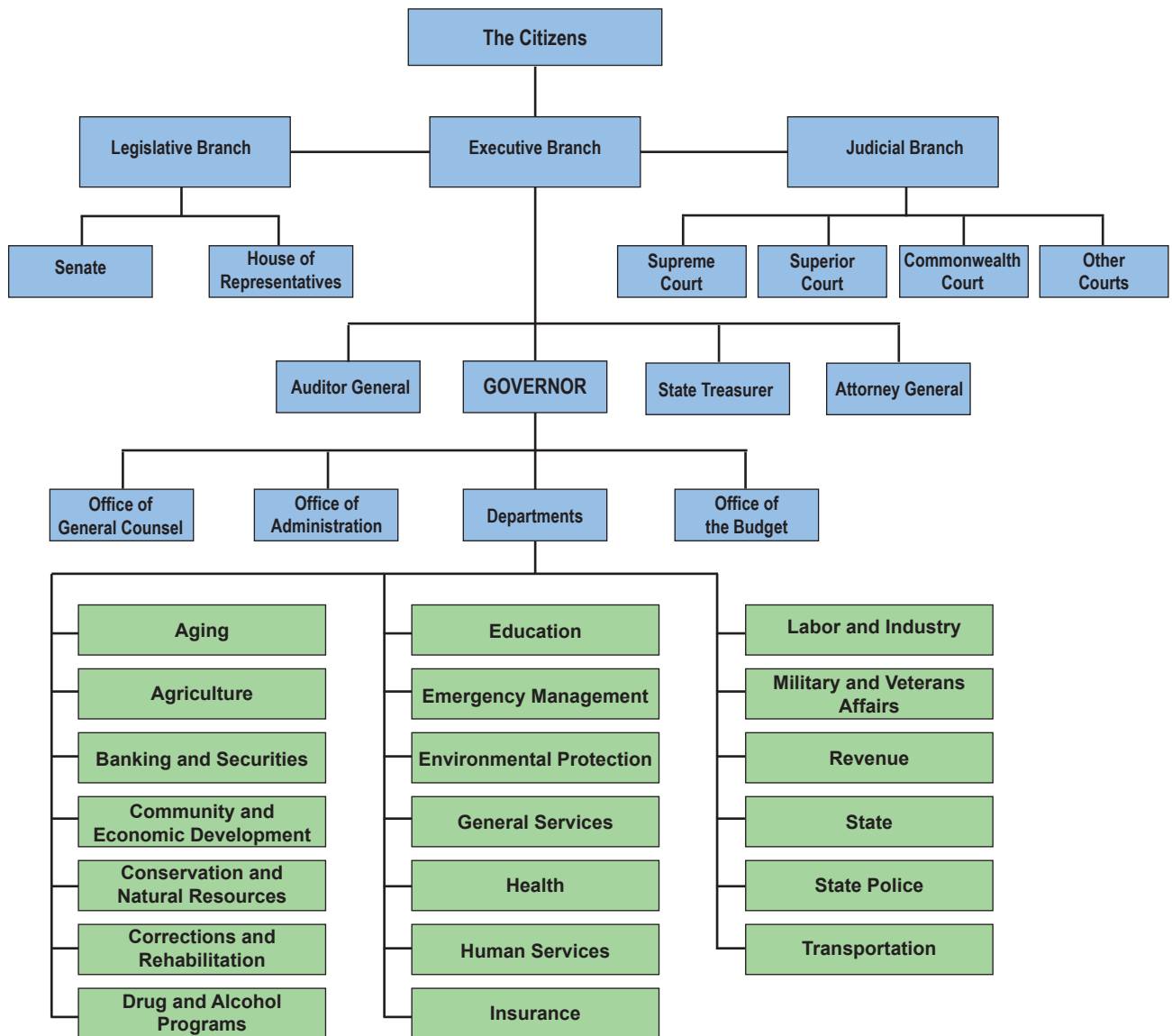
This section of the budget is intended to assist readers with interpreting and understanding the content of the Governor's recommended budget.

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. To learn more about the Commonwealth of Pennsylvania, go to www.pa.gov.

Commonwealth of Pennsylvania Organization Chart



AGENCIES

Higher Education Assistance
Housing Finance
Interstate Agencies

AUTHORITIES

Automobile Theft Prevention
Commonwealth Financing
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
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 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 effectiveness 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.

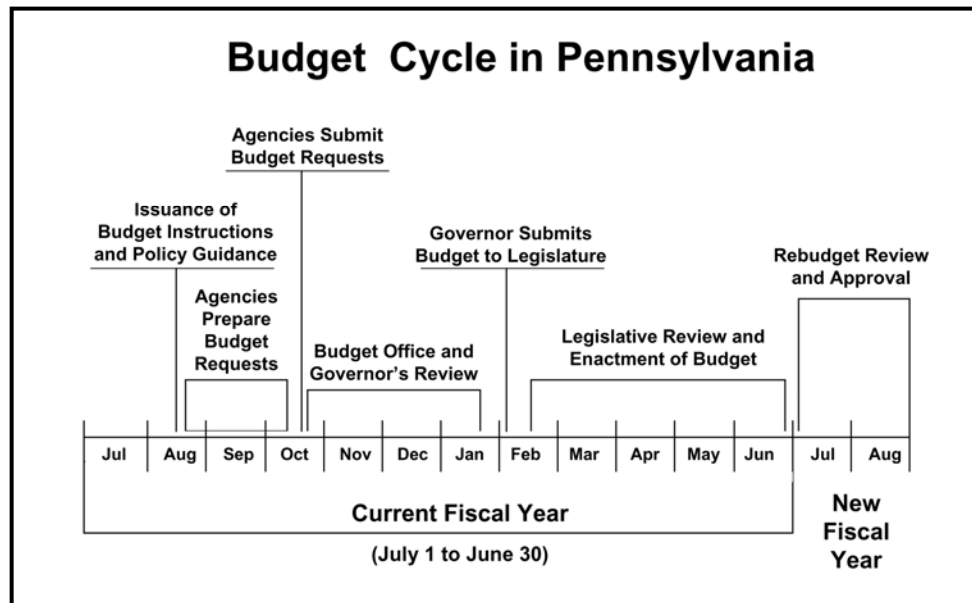
Agency budget requests are submitted to the Governor's Budget Office beginning in early October. Agencies prepare and submit their requests electronically. The Agency Program Plan, the programmatic presentation of agency budget requests, and the appropriation-level information are prepared and submitted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



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

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

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

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

Execution

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

Audit

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

The Capital Budget Process

Preparation, Submission and Approval

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

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

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

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

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

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

Capital Project Activation

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

Debt Financing vs. Current Revenue Financing

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

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

The Commonwealth's Program Budget Structure

COMMONWEALTH PROGRAM PLAN

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

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

Program Budget Structure

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

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

Department Presentations

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

Mission Statement

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

Organization Overview

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

Summary by Fund and Appropriation

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

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

Federal fund amounts shown on the SFA include appropriations to date as well as anticipated adjustments because of increases or decreases in the amount of funds to be received. Because of the manner in which they are appropriated, federal funds are deposited as General Fund revenues rather than as augmentations. Federal funds are not, however, included in the revenue sections of the budget. Instead, federal funds are shown with the state funds 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 goal 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 goal. Program narratives describe program activities, services and expected outcomes and may be further broken down by program element narratives which focus on specific program activities.

Program Presentation

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

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

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

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

Program Measures

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

OTHER SPECIAL FUNDS

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

The Summary by Fund and Appropriation

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

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

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

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

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

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

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

Summary by Fund

GENERAL FUND:

General Government:

General Government Operations

(F) Surface Mine Conservation

(A) Department Services

Subtotal

Environmental Program Management

(F) Coastal Zone management

(F) Storm Water Permitting Initiative

(A) Safe Drinking Water Revolving Fund Administration

(R) Sewage Facilities Program Administration (EA)

Subtotal

Subtotal - State Funds

Subtotal - Federal Funds

Subtotal - Augmentations

Subtotal - Restricted Revenues

Total - General Government

Grants and Subsidies:

Black Fly Control and Research

West Nile Virus Control

Delaware River Master

Interstate Mining Commission

Susquehanna River Basin Commission

Delaware River Basin Commission

Chesapeake Bay Commission

Total - Grants and Subsidies

STATE FUNDS

FEDERAL FUNDS

AUGMENTATIONS

RESTRICTED REVENUES

GENERAL FUND TOTAL

MOTOR LICENSE FUND:

General Government:

Dirt and Gravel Roads

MOTOR LICENSE FUND TOTAL

OTHER FUNDS:

GENERAL FUND:

Safe Drinking Water Account

ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:

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

DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUND

SPECIAL FUNDS

FEDERAL FUNDS

AUGMENTATIONS

RESTRICTED

OTHER FUNDS

TOTAL ALL FUNDS

Environmental Protection

and Appropriation

(Dollar Amounts in Thousands)

2014-15
ACTUAL

2015-16
AVAILABLE

2016-17
BUDGET

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

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

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

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

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

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

\$ 549 \$ 658 \$ 470

\$ 5,500 \$ 5,500 \$ 5,500

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

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

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

Identifies selected restricted accounts.

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

Program Presentation

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

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

General Government Operations — Identifies a specific appropriation.

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

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

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

Program: Environmental Protection

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

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

Program Recommendations:

This budget

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

Appropriations within this Program:

	2014-15 Actual	2015-16 Available
GENERAL FUND:		
General Government Operations	\$ 10,400	\$ 10,500
Environmental Program Management.....	21,325	21,424
Black Fly Control and Research.....	3,250	3,250
West Nile Virus Control	3,676	3,676
Delaware River Master	76	76
Interstate Mining Commission	25	25
Susquehanna River Basin Commission ..	490	500
Delaware River Basin Commission	1,000	1,000
Chesapeake Bay Commission	190	190

Program

	2014-15	2015-16
Protection of Air Quality		
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

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

Program and Management

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, 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.

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	West Nile Virus Control —to continue current program.
\$	5	Interstate Mining Commission —to continue current program.
\$	-10	Susquehanna River Basin Commission —nonrecurring project.
\$	10	Chesapeake Bay Commission —to continue current program.

(Dollar Amounts in Thousands)

2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 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

2016-17	2017-18	2018-19	2019-20	2020-21
90%	100%	100%	100%	100%
100%	100%	100%	100%	100%
50%	68%	100%	100%	100%

Identifies the agency being presented.

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

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

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

Narrative — Describes program services and activities.

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

Basis of Budgeting and Basis of Accounting for Financial Reporting

Basis of Budgeting For Control and Compliance – Modified Cash Basis

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

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

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

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

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

Basis of Accounting for Financial Reporting – GAAP Modified Accrual Basis

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

Accounting Differences in GAAP Financial Reporting versus Budgetary Reporting

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

Significant Financial Policies

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

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

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

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

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

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

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

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

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

Terms Used in the Budget Process

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Workforce: Persons employed by the commonwealth.

Federal Funds Identification

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

ADA	Americans with Disabilities Act
ARC	Appalachian Regional Commission
ARRA	American Recovery and Reinvestment Act
BG	Block Grant
CCDFBG	Child Care and Development Fund Block Grant
CHIPRA	Children's Health Insurance Program Reauthorization Act
COPS	Community Oriented Policing Services
CSBG	Community Services Block Grant
DCSI	Drug Control and Systems Improvement
DFSC	Safe and Drug Free Schools and Communities
DOE	Department of Energy
EDA	Economic Development Administration
EEOC	Equal Employment Opportunity Commission
EMAC	Emergency Management Assistance Compact
EMS	Emergency Medical Services
EPA	Environmental Protection Agency
EPCA	Energy Policy and Conservation Act
ESEA	Elementary and Secondary Education Act
FEMA	Federal Emergency Management Agency
FFY	Federal Fiscal Year (October 1 to September 30)
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
HIPAA	Health Insurance Portability and Accountability Act
HHS	Health and Human Services
HUD	Department of Housing and Urban Development
ID	Intellectual Disabilities
JAG	Justice Assistance Grants
LIHEABG	Low-Income Home Energy Assistance Block Grant
LSTA	Library Services and Technology Act
LWCF	Land and Water Conservation Fund
MA	Medical Assistance
MAGLOCLN	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 st 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](#)

[eHealth Partnership Authority](#)

[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](#)

[Human Relations Commission](#)

[Fish and Boat Commission](#)

[Game Commission](#)

[Gaming Control Board](#)

[General Services](#)

[Governor's Office](#)

[Health](#)

[Higher Education Assistance Agency](#)

[Historical and Museum Commission](#)

[Housing Finance Agency](#)

[Human Services](#)

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

[Insurance](#)

[Judiciary](#)

[Labor and Industry](#)

[Legislature](#)

[Liquor Control Board](#)

[Lieutenant Governor's Office](#)

[Military and Veterans Affairs](#)

[Milk Marketing Board](#)

[Probation and Parole Board](#)

[Public School Employees' Retirement System](#)

[Public Utility Commission](#)

[Revenue](#)

[State](#)

[State Employees' Retirement System](#)

[State Police](#)

[Transportation](#)

[Treasury](#)

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

Governor's Executive Budget

For the **2016-17 Governor's Executive Budget** [click here:](#)

Budget in Brief

The Budget in Brief booklet provides summary information on the major themes in the 2016-17 Governor's Executive Budget.

For the **2016-17 Budget in Brief** [click here:](#)

Budget Dashboard

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

For the **2016-17 Proposed Budget Dashboard** [click here:](#)



Commonwealth of Pennsylvania

Governor's Executive Budget

OVERVIEW AND SUMMARIES

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FISCAL AND PROGRAM POLICY DIRECTION AND BUDGET THEMES

The Fiscal and Program Policy Direction section immediately following this page presents the fiscal and program policies that guided the development of the 2016-17 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: Schools that Teach; Jobs that Pay; and Government that Works.

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

Fiscal and Program Policy Direction

This section presents the fiscal and program policies that guided the development of the 2016-17 Governor's Executive Budget. The commonwealth faced significant financial challenges during the past few years. The ongoing weak national and state economies will again impact state revenues and program spending levels in 2016-17. Nonetheless, agencies are expected to rise to the challenge and continue to efficiently and effectively provide quality services to Pennsylvania citizens.

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

Key budget development policy direction was provided by the Governor's Budget Office in August 2015 to assist agencies in developing their 2016-17 budget requests – the annual Budget Instructions. Additional guidance was provided to the agencies throughout fall 2015 as the budget development process continued.

Budget Instructions

The 2016-17 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 2016-17 Governor's Executive Budget. Agencies were to develop plans and policies designed to make government more efficient and effective. Agencies were asked to prepare 2016-17 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 2016-17 Budget Instructions

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

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

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

Program Policy Guidance

The 2016-17 program policy guidance provided specific fiscal and program direction to the agencies. Agency budget planning for 2016-17 was to be predicated on the fact that the Pennsylvania economy was growing very modestly with a number of factors restraining its growth. The commonwealth budget faced additional challenges, such as increased pension obligations, wage and benefit increases, debt service and medical and entitlement costs, which would consume virtually all revenue growth. Therefore, agencies should not assume funding increases for the budget year and should focus on efforts that contribute

FY 2016-17 Program Policy

to achieving structural balance. Agencies also were directed to evaluate current programs and recommend changes that would improve program management and operations, reduce costs and optimize direct services.

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

Performance Measurement

The 2016-17 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.

The budget and policy direction given to agencies is responsive to fiscal realities and addresses the commonwealth's 2016-17 budget challenges.

The following pages present the major budget themes for the 2016-17 Governor's Executive Budget. The reader is referred to the agency program presentations in Section E: Department Presentations for specific budget recommendations for each program appropriation. The reader is also referred to the 2016-17 Budget in Brief, a separate booklet, for summary information on the 2016-17 Governor's Executive Budget, including recommended program changes and funding levels in pursuit of the administration's policy and program direction for the commonwealth.

Measuring Program Results

Introduction

Today, we stand at a crossroad. The path we choose will have a profound impact on our commonwealth's future. The proposed budget provides a clear vision for a promising future for our state. **It assumes the bipartisan budget agreement that proved elusive in December is ultimately enacted this year.** It provides a spending plan for 2016-17 that builds upon that agreement. It invests in our schools, meets critical human service needs, fully funds our pension and debt obligations, and eliminates the structural budget deficit that has plagued us since the Great Recession of 2008.

We must, however, acknowledge that another path looms before us. That vision abandons any bipartisan compromise. Critical funds for our schools, our communities, and to repair our state's fiscal health are lost. The resulting deficit, more than \$500 million by the close of this fiscal year, would balloon to more than \$2 billion by July of 2017. The consequences of such action are grim, but cannot be ignored.

All funds for our state-related universities and any other non-preferred appropriations would be eliminated. Another \$1 billion would be cut from education, doubling down on the deep cuts of the past. Human service funding for counties, intellectual disabilities and autism, home and community-based services, and child care would be reduced by \$600 million or more. Bond ratings would be lowered again, while debt costs and local property taxes would soar upward.

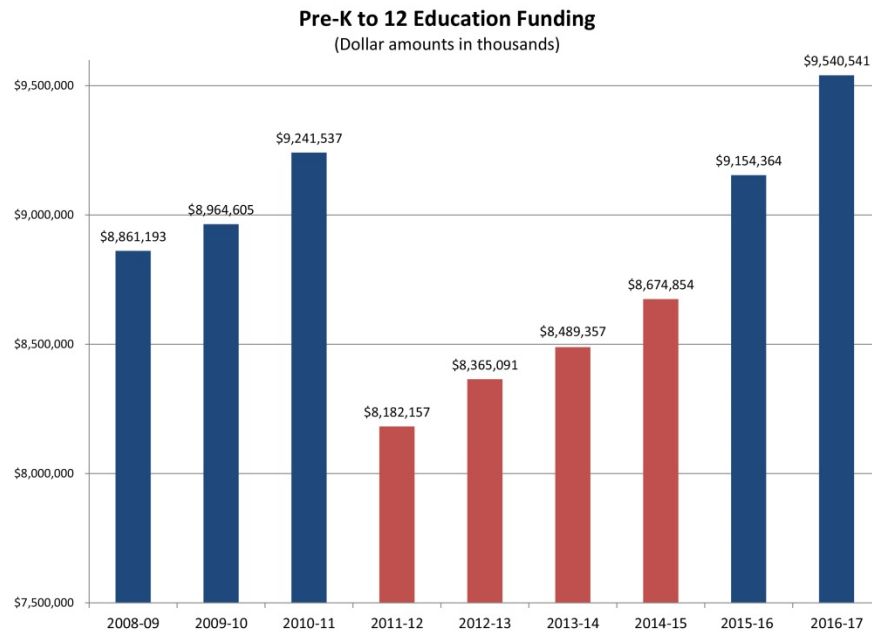
In sharp contrast, **the budget plan that follows assumes we will take the path of the bipartisan budget agreement and invest in our state and our future. That path includes key government consolidations along with targeted investments that build upon the bipartisan budget agreement.** This plan provides a prudent path forward to support schools that teach, jobs that pay, and a government that works.

Schools that Teach

Governor Wolf has made clear his strong commitment to education in Pennsylvania by fighting to restore critical education funding cuts, provide unprecedented support to high-quality pre-k programs and ensure students are college and career ready. The governor continues to advocate for increased funding for Pennsylvania schools to deliver high-quality education to every student across the state, regardless of zip code. An expanded, modernized and accountable education delivery system is the foundation for long-term economic growth in the commonwealth.

Significant Investments in Education

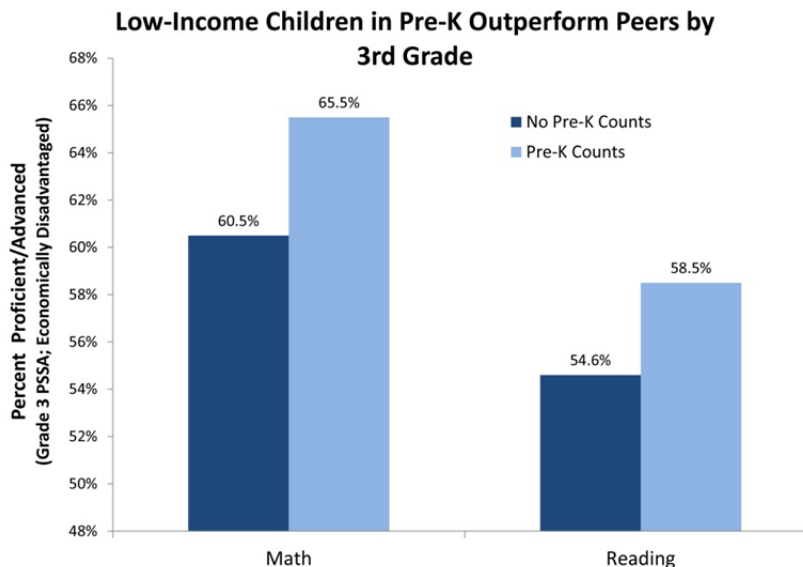
- **A \$200 million (3.3 percent) increase in the Basic Education Subsidy.** This increase, above the assumed \$377 million increase in 2015-16, will be distributed using the fair funding formula created and unanimously adopted by the bipartisan Basic Education Funding Commission in June 2015. The formula provides sufficient, predictable and equitable funding for school districts across the commonwealth, and includes student-based factors like the number of children in the district who live in poverty or who are enrolled in charter schools, as well as district-based factors such as the wealth of the district, the district's current tax effort and the ability of the district to raise revenue.



- **A \$50 million (4.6 percent) increase in the Special Education Subsidy.** This increase, in addition to the assumed \$50 million increase in 2015-16, will continue Pennsylvania's transition to the funding formula enacted in 2014 reflecting the work of the bipartisan Special Education Funding Commission.
- **A \$60 million (30.5 percent) increase in high-quality early childhood education.** This funding increase builds upon the \$60 million investment in 2015-16 to enroll about 14,000 additional children in Pennsylvania Pre-K Counts and the Head Start Supplemental Assistance Program.
 - In 2003, Pennsylvania joined the ranks of states that offer full-day pre-kindergarten for 3- and 4-year-olds. Currently, only 30 percent of Pennsylvania children in families earning up to three times the federal poverty level – or \$72,750 for a family of four – are enrolled in high-quality pre-k programs.
 - Studies show that children who participate in high-quality pre-kindergarten perform better in school, graduate at higher rates and earn more throughout their working lives compared to peers that do not have access to early learning programs. Additionally,

Theme: Schools that Teach

children who were previously enrolled in Pre-K Counts outperform their economically disadvantaged peers in third-grade math and reading.



Strengthening Pennsylvania's Education Accountability System

The 2016-17 Budget continues to focus on strong and fair accountability at all levels of the education delivery system – for students, educators and schools. To improve these accountability systems, the state must start by listening to key stakeholders and developing an accountability framework that will improve and support the success of our public education system, reduce over-testing and ensure public confidence in the performance of our schools. Throughout the past year, Governor Wolf has traveled across the state to hear the ideas of Pennsylvania's educators and administrators.

As one component of a larger accountability agenda, the 2015-16 Budget included new accountability provisions to maximize both the public's return on education investment and the impact of new funding to increase student achievement. In line with these provisions, 96 percent of school districts across the commonwealth submitted a funding impact plan to the Department of Education. These plans outlined how education funding increases will be invested directly in classrooms by introducing and expanding evidence-based programs and restoring cuts to other programs and personnel that school districts were forced to make as a result of previous state budget cuts. In their submissions, school districts planned to use funding increases to maintain or expand high-quality early childhood education and full-day kindergarten programs, reduce class sizes and bring back guidance counselors and librarians.

Going forward, school districts will also be required to demonstrate the impact these investments have on quantifiable student performance outcomes.

Turnaround Schools

In order to more fully meet the needs of the commonwealth's persistently low-performing schools, the Department of Education will devote full-time resources and supports to address the governor's goal of achieving equity, sustainability and accountability for schools. To reach these goals – as well as fulfill federal requirements – the department will establish an Office of School Improvement. The department will identify persistently low-achieving turnaround schools eligible for OSI-led interventions and support, including diagnostic audits, revised school improvement plans, and training and technical assistance. Turnaround Specialists will work with school leadership teams to identify and leverage resources through the department, Intermediate Units, higher education institutions and other educational partners. Through these targeted efforts, the Office of School Improvement will help schools implement new policies and systems that support student success while closing the achievement gap.

Theme: Schools that Teach

School Performance Profiles

While the 2016-17 Budget continues to make historic investments in our education pipeline, we know we need to ensure these funds are used to produce students who are prepared for a 21st-century economy. The current School Performance Profile overly relies on test scores, which can be a useful indicator of academic performance but should be balanced against other indicators of student success.

Over the last year, the administration engaged with stakeholders, including teachers and administrators, advocates, lawmakers and families across the commonwealth, to discuss a revised School Performance Profile that takes into account student growth, opportunities for advanced study, industry benchmarks, and student behaviors, like attendance, that impact school success. This new School Performance Profile will hold schools accountable for more than just the results of a test score that captures student learning at one point in time. The revised measure will help ensure that all schools are supporting student learning and graduating students who are prepared to enter the workforce, seek additional training, or attend an institution of higher learning.

Charter School Reform

Charter School Reimbursements for Special Education

The 2016-17 Budget proposes to implement the recommendations of the bipartisan Special Education Funding Commission by adjusting charter school reimbursements to better reflect actual costs of educating students with special needs. The proposed change will be phased in over the next three years, and result in more than \$180 million in savings to school districts. The recommended funding formula, which is already used to distribute Special Education Funding increases to school districts, incorporates three levels of reimbursement tied to per-student cost of services. The appropriate multiplier is applied to a school district's regular education tuition rate to determine the tuition reimbursement for each special education student educated at a charter school:

- 1.51 for students receiving services less than \$25,000 per year (Category 1);
- 3.77 for students receiving services equal to or greater than \$25,000 but less than \$50,000 per year (Category 2); and
- 7.46 for students receiving services equal to or greater than \$50,000 per year (Category 3).

Cyber Charter Funding Reform

Cyber charter schools are fundamentally different from traditional brick-and-mortar charter schools, and cyber charter tuition rates should reflect those structural realities. Pennsylvania's cyber charter schools, unlike brick-and-mortar charter schools or traditional public schools, do not have many of the same facility costs and face-to-face service delivery costs. The 2016-17 Budget implements a new funding formula for cyber charter schools to better align tuition payments with actual costs. These funding reforms will save \$50 million annually for school districts across the commonwealth:

- Regular Education Tuition. In addition to the standard deductions currently used to calculate regular education tuition rates, the budget proposes taking additional deductions from total expenditures to better reflect the different costs incurred by cyber charter schools. The additional deductions include expenditures for libraries, nonpublic support, tax assessment and collection, nonpublic health, community services, and a portion of operation and maintenance of plant services. The per-student regular education tuition rate is then capped at the 70th percentile rate across all Pennsylvania school districts.
- Special Education Tuition. For the more than 6,800 special education students educated at cyber charter schools across the state, special education tuition rates are calculated according to current law, which would incorporate the revised regular education tuition rate, as previously described. The special education rate is also capped at the 70th percentile rate across all school districts.

Permanently Ending the Pension "Double Dip"

The General Assembly previously enacted bipartisan reform to stop both brick-and-mortar charter and cyber charter schools from being paid twice for the same employee pension costs. The budget makes this reform a permanent part of education law.

Reimbursement Based on Audited Costs

By the end of the 2013-14 school year, charter and cyber charter schools amassed undesignated, unreserved fund balances of more than \$148 million by collecting more in tuition revenue than they actually spent on students. The 2016-17 Budget includes a requirement for an annual reconciliation, whereby charter and cyber charter schools will refund money to their sending school districts if the charter school's audited expenditures are less than its tuition revenue.

Building a Bridge from High School to College and Careers

Preparation for high-skill careers must start long before most students even begin to think about college and careers. Fewer than half of Pennsylvania's citizens have a college degree or industry-recognized certification. By 2025, roughly 60 percent of good-paying, reliable jobs in the state will require these credentials. Across the nation, employers report difficulty finding qualified applicants and incur training costs for workers who lack necessary skills. To ensure that the next generation of Pennsylvanians – those currently in middle school and high school – are prepared for the jobs of the future, we must begin to close the gap today.

Over the next decade, Pennsylvania will seek to make a college degree or high-value industry-recognized certification available to at least 650,000 additional commonwealth residents. The 2016-17 Budget invests in programs that continue to modernize Career and Technical Education in Pennsylvania:

- **Career and Technical Education.** The 2016-17 Budget provides **\$15 million** in additional support for the establishment and expansion of high-quality CTE programs to prepare students for success in today's economy. School districts, Career and Technology Centers, higher education institutions, employers and labor organizations can work together through public-private partnerships to train students for high-priority occupations that pay a living wage and offer a career ladder for growth opportunities. Students will have the opportunity to earn college credit and industry credentials while participating in work-based learning.
- **Career and Technical Education Equipment Grants.** The budget includes **\$5 million** for CTE equipment grants to support updating or purchasing new equipment used in the training of students. Priority will be given to Career and Technical Education grant applicants that show an in-kind or monetary contribution from employers or other partners.
- **Career Counselors.** Continuing the investments made in 2015-16, the 2016-17 Budget includes **\$8 million** to help school districts offer college and career counseling in middle and high schools to develop pathways to higher education and high-skill careers.

Reinvesting in Pennsylvania's Institutions of Higher Learning

The 2016-17 Budget reinvests in higher education by continuing Governor Wolf's commitment to a four-year restoration of the damaging cuts to our colleges and universities. In addition, the budget supports programs that help to achieve the goal of 60 percent of Pennsylvanians with a degree or high-value certificate by 2025 (read more about this initiative in the *Jobs that Pay* theme in this section).

The state will work with community colleges and the Pennsylvania State System of Higher Education to develop individual college plans that address performance, affordability, and accountability, while partnering with employers to create structured career pathways. Pennsylvania's world-class colleges and universities also play a critical role in research, innovation, and invention. The combined funding increases in 2015-16 and 2016-17 for our higher education delivery system are as follows:

- **Community Colleges.** A **\$22.1 million increase** for Pennsylvania's 14 community colleges to achieve the degree, certificate or certification goals.
- **PASSHE.** A **\$42.3 million increase** for the 14 universities that are part of the Pennsylvania State System of Higher Education.
- **State-Related Universities.** A **\$59.7 million increase** for Penn State University, the University of Pittsburgh, Temple University and Lincoln University. These resources will encourage innovation by helping the four public universities translate research into job creation.

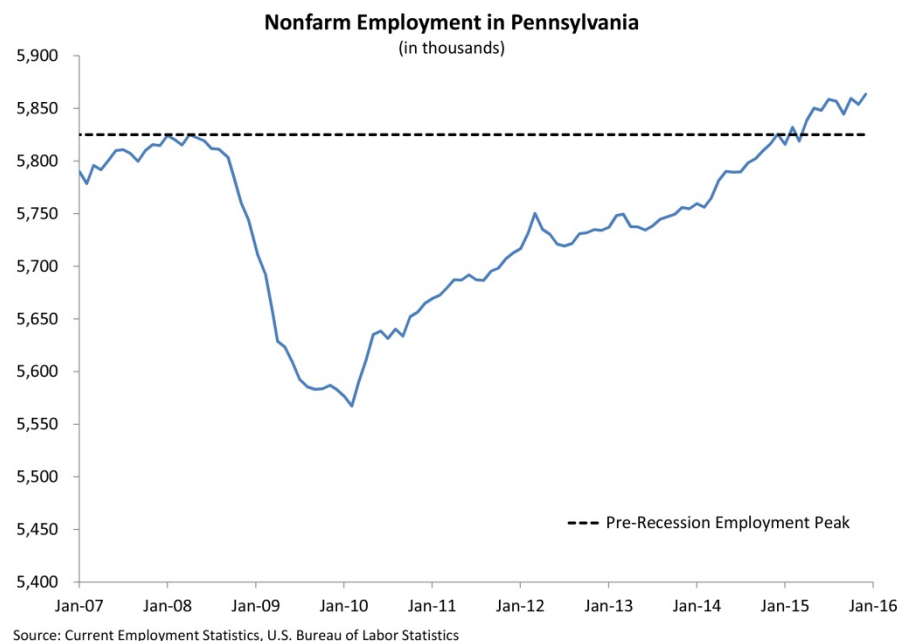
Jobs that Pay

Since his inauguration, Governor Wolf has made “Jobs that Pay” a priority in Pennsylvania. Throughout the year, the governor and members of his cabinet heard from business owners, industry leaders and hardworking Pennsylvanians statewide about what the Wolf administration can do to help them thrive.

Through the work of the Governor's Action Team, a group of economic development professionals who report directly to the governor, the administration continues to work with businesses that are considering locating to or expanding in Pennsylvania. In 2015, the team completed 58 relocation and expansion projects, creating more than 4,500 new jobs and retaining over 11,000 positions.

Governor Wolf announced the successful January 1, 2016, phase-out of Pennsylvania's Capital Stock and Foreign Franchise Tax, calling it “an unfair tax on business” that he was committed to eliminating. The Capital Stock and Foreign Franchise Tax dates to 1844. Its phase-out that had been scheduled by Governor Tom Ridge for elimination in 2008 was delayed by subsequent administrations.

Solid Gross Domestic Product growth of two percent in the Pennsylvania economy boosted employment up and moved the jobless rate down. In December 2015, the unemployment rate dipped below five percent for the first time since March 2008. At 4.8 percent, the December jobless rate was also lower than the national unemployment rate. Over the year, total nonfarm jobs in Pennsylvania were up 38,000 (0.7 percent), with growth in the majority of the state's industry sectors.



The 2016-17 Budget continues to focus on policies and investments that foster the creation of good-paying jobs, encourage partnerships among business and our education system, and lead to a strong Pennsylvania economy.

Investing in Proven Job Creation Programs

Successful economic development requires partnerships between the public and private sectors. The 2016-17 Budget continues a two-year restoration of previous cuts in economic development programs by reinvesting in initiatives that are proven to create jobs and result in long-term economic growth.

The PA First program is a comprehensive funding tool used to facilitate private capital investment, foster job creation, and encourage development of critical infrastructure and workforce training programs. The budget provides an **increase of \$11 million to PA First** for a total of \$45 million, estimated to create at least 11,000 jobs, retain 40,000 jobs and leverage \$1.9 billion in private sector investment.

The Keystone Communities program encourages partnerships between the public and private sectors to support joint local initiatives that foster growth and stability in neighborhoods and communities, social and economic diversity, and a secure quality of life. The budget provides **\$15 million for these programs**, including Main Street and Elm Street as well as the Core Communities Development Projects.

The budget allocates **\$30 million to the Infrastructure and Facilities Improvement Program**. This program uses future state tax revenue increments to help pay for construction of hospitals, convention centers and hotels adjacent to convention centers, manufacturing facilities, and infrastructure for large retail and industrial projects. In 2014, this program generated \$3 for every \$1 invested.

The budget provides **\$798,000 to help prevent base realignment and closure, or BRAC**, actions by the federal government from affecting Pennsylvania's military communities. Base closures and the resulting job losses could have a significant impact on Pennsylvania's economy, with current military spending supporting 213,000 jobs and an overall economic impact of \$30 billion across the commonwealth.

The budget **reallocates \$125 million in existing Commonwealth Financing Authority resources to recapitalize Business in Our Sites**, a financing program that creates shovel-ready site jobs and \$1.8 billion in private investment. This initiative, funded through existing resources, will reallocate \$50 million from the First Industries Fund, \$24.5 million from the High Performance Building Program, and \$50.5 million from Building PA.

Making Work Pay: Increasing the Minimum Wage

A minimum wage increase to \$10.15 per hour supports local businesses, creates new jobs, and would boost state revenue by roughly \$60 million annually. Pennsylvanians who work full time at the minimum wage earn \$15,080 annually, leaving them below the poverty level for a family of four and unable to afford basic necessities. The current minimum wage of \$7.25 purchases about one-quarter less than the minimum wage did in 1968, although low-wage workers now are better educated and more skilled. Employees have become more productive, increasing business efficiency and competitiveness, but wages have not kept pace with these productivity gains.

The 2016-17 Budget proposes to raise Pennsylvania's minimum wage from \$7.25 to \$10.15 per hour, while tying it to inflation to maintain its purchasing power over time. The increase would benefit more than 1.2 million Pennsylvania workers, many of whom are adults with families. Studies have consistently shown that an increase in the minimum wage does not result in job loss for low-wage workers.

Creating Employment Opportunities for Pennsylvania's Young People

Studies show that employment among young people results in more positive labor market outcomes later in life. In 2015, the unemployment rate for Pennsylvania youth age 16 to 24 was 8.2 percent. Among African-American youth, the unemployment rate reached 13.2 percent which is more than two and a half times the overall statewide jobless rate. Even modest efforts in this space lead to significant positive impacts on Pennsylvania's future workforce.

Building upon summer jobs initiatives in 2015-16, the 2016-17 Budget calls for additional commitments for youth employment opportunities. In addition to supporting programs that facilitate employment for young Pennsylvanians, state government agencies can also act as employers themselves, both in Harrisburg and in offices across the state. The 2016-17 Budget includes a new summer employment pilot program at commonwealth agencies for low-income high school students in the summer of 2016, providing work experience, financial literacy education, preparation for the Civil Service Exam and exposure to various career pathways, especially within state government.

The 2016-17 Budget also provides \$2.5 million to revive the Pennsylvania Conservation Corps within the Department of Conservation and Natural Resources. Last operated in 2011, this program offers year-round training for youth and young adults through hands-on construction and other conservation- and recreation-related work. Between 1984 and 2011, the Pennsylvania Conservation Corps had over 15,000 participants and completed over 1,300 projects in urban, suburban, and rural areas across the state.

Training Pennsylvania's Workforce for Jobs That Pay

Workforce Innovation and Opportunity Act

The federal Workforce Innovation and Opportunity Act, signed into law in July 2014, seeks to strategically align workforce development programs and match employers with qualified skilled workers. The commonwealth's plan is the starting point for an unprecedented effort to bring together multiple state agencies, employers, and education and training providers to increase the number of high-paying jobs and better prepare Pennsylvanians for those jobs. The plan will achieve these goals by:

- Making job training more responsive to employers' needs by engaging with industry-driven workforce partnerships;
- Increasing the number of Pennsylvanians who have college degrees or industry-recognized skill credentials or certificates so that, by 2025, 60 percent of Pennsylvanians will possess those degrees, credentials, or certificates;
- Linking job training to career pathways, so that training leads not simply to any job, but to jobs that provide higher pay over time;
- Enabling youth to gain skills and work experience by providing opportunities for summer jobs, internships, apprenticeships, and other types of work-based learning; and
- Improving the ability of state agencies and training providers to understand where the high-paying jobs of the future will come from and the education and training to best prepare Pennsylvanians for those jobs.

Investing in Workforce Partnerships

To complement the provisions in the proposed Workforce Innovation and Opportunity Act State Plan, the 2016-17 Budget supports additional workforce development initiatives by providing funding for commonwealth training programs and workforce partnerships. Key among these are:

- **Industry Partnerships.** Pennsylvania's Industry Partnerships program, the first of its kind in the nation, enables companies in the same industry group or cluster to come together to identify their common skill needs and develop training programs to meet those needs. The budget nearly doubles funding for Industry Partnerships by providing **\$11.6 million** to enable workers to earn industry-recognized credentials and move up into better jobs. In 2015, Industry Partnerships held more than 2,800 trainings.
- **Vocational Rehabilitation.** The budget provides a **\$2 million increase** for vocational rehabilitation programs that help persons with disabilities prepare for, obtain and maintain employment. To the maximum extent possible, the commonwealth will emphasize job opportunities that pay competitive wages. The increased state funding will enable the state to maximize available federal funds, up to an additional **\$8 million**, to support these important programs.
- **IRC Manufacturing Initiative.** The 2016-17 Budget provides **\$12 million** to continue an initiative that combines the knowledge and experience of the state's Industrial Resource Centers with the technological advances of our higher education sector. The IRC Manufacturing Initiative will mobilize the talents of Pennsylvania's research universities to advance manufacturing technology and commercialization. It is anticipated that the state investment will be leveraged by a 3:1 ratio for federal and private investment.

Government that Works

Governor Wolf remains committed to improving efficiencies, streamlining government operations and reducing costs. He continues to change the way business is conducted to assure taxpayer dollars are spent wisely, eliminate redundancies and improve customer interactions at all levels. This budget includes the merger of the Department of Corrections and the Board of Probation and Parole, the elimination of the Public Employee Retirement Commission and the relocation of the eHealth Partnership Authority to within the Department of Human Services. These steps continue the work Governor Wolf has taken throughout the course of the last year to ensure that the commonwealth truly is a government that works.

As one of his first acts in office, Governor Wolf signed Executive Order 2015-2, requiring the competitive procurement of commonwealth legal services. The new system provides high-quality legal counsel, while reducing costs and increasing transparency. Last spring in conjunction with the Treasurer and Auditor General, **the first open bid commonwealth contract for bond counsel resulted in a savings of over 35 percent to the taxpayer.**

In February 2015, Governor Wolf announced that Pennsylvania would expand Medicaid eligibility under the Affordable Care Act, allowing individuals who earn up to 138 percent of the federal poverty guidelines to obtain health care coverage. Since then, more than half a million Pennsylvanians from every county have enrolled in Community HealthChoices, Pennsylvania's Medicaid program. As a result, **Pennsylvania's uninsured population has dropped from 14 percent in 2013 to 8 percent today, and state General Fund costs have been reduced by more than \$500 million.**

By eliminating the Supplemental Nutrition Assistance Program asset test, the Department of Human Services saved millions in state funds and took steps to better protect Pennsylvania's most vulnerable. **While this change resulted in savings of \$3.5 million annually, it also removed unnecessary administrative burdens and shielded the commonwealth from potential federal sanctions due to increased errors.**

Through increased staff training and information technology improvements, the Department of Human Services **reduced the food stamp error rate by 60 percent in six months to only 2.01 percent, avoiding approximately \$35 million in erroneous payments and ensuring that payments only are made to those who are eligible.** This reduction represents the largest percentage decrease in the error rate in a single year since records have been kept.

The Department of Human Services has also focused on employment opportunities for the people they serve. In 2015, more than 40,000 adults who were receiving TANF benefits became employed and are no longer eligible. As a result of these efforts, **nearly 12,000, or 6.3 percent, fewer people are receiving Temporary Assistance for Needy Families benefits since January 2015.**

In fulfilling the governor's commitment to make health insurance more accessible and affordable for Pennsylvanians, the Insurance Department **reduced proposed insurance rates for plans under the Affordable Care Act by more than \$80 million.** A national study found that Pennsylvania has the fifth-lowest costs for the most popular individual health plans. One of the key factors in health care costs is competition among insurers. The administration continues to work to maintain a vibrant and competitive insurance market to provide consumers with more options and lower costs.

Last year, the commonwealth's **inmate population decreased by nearly 850 inmates – the greatest one-year decline in 40 years.** While there is still much work to be done, offenders are finally getting the treatment they need at an appropriate level of the criminal justice system. The Department of Corrections is also working to create efficiencies so that it can focus its resources most effectively on education and career training, which ultimately keep people out of prison. Going forward, the department will take further steps to reduce corrections costs, including the merger with the Board of Probation and Parole.

The 2016-17 Budget will again focus on delivering services more efficiently, eliminating redundant and unnecessary programs, reducing costs and changing the way business is conducted to ensure taxpayer dollars are spent wisely.

Theme: Government that Works

Improving Government Efficiency

GO-TIME

The Governor's Office of Transformation, Innovation, Management and Efficiency, or GO-TIME, is working to modernize government operations by assisting and encouraging agencies to embrace a culture of change and adopt private-sector strategies to make government more efficient and effective. With more than 200 separate projects under way, state agencies are on target to meet the governor's goal of achieving \$150 million in savings in 2015-16. GO-TIME continually monitors all projects commonwealth-wide to quickly identify and correct any problems that may arise.

In 2016-17, GO-TIME will:

- Launch a commonwealth-wide continuous process improvement program to review agency operations to maximize efficiency and deliver better customer service;
- Pursue opportunities to partner with external entities to address challenges; and
- Develop recognition programs to incentivize and reward employee engagement in transformational activities.

Agencies and state employees continue to contribute ideas to make government work more efficiently while working on projects across the commonwealth to better engage employees, use technology to improve operations and provide vital services to a greater number of people. GO-TIME's most successful projects in 2015-16 included:

- **Improving Procurement Strategies.** Commonwealth agencies spend more than \$3 billion per year on goods and services. By conducting a thorough examination of existing contracts, applying commercial best practices and reintroducing reverse auctioning to procurement, the Department of General Services will save a projected \$100 million in 2015-16.
- **Transforming Data Centers.** Faced with increasing demand for capacity, aging hardware and limited space, the Office of Administration is transitioning to a fully-outsourced data center with the flexibility to increase and decrease capacity based on current demand. The new operating model has saved \$9.2 million in 2015-16 and is expected to save \$18.3 million in 2016-17.
- **Consolidating Mailrooms and Services.** The Department of General Services has begun to consolidate outgoing mail services for a number of agencies, generating savings from presorting, volume discounts, reductions in staffing and equipment, and repurposing space previously used for mail activities. Presorting of outgoing mail alone saves taxpayers over \$34,000 per week.
- **Sharing Electronic Grants Software.** For years, agencies have attempted with varying levels of success to develop online systems for their grant funding programs. The budget allows agencies to leverage the Department of Community and Economic Development's electronic grants application rather than invest time and resources to develop custom applications.
- **Innovative Financing for Energy Savings.** Building on the success of the Department of Corrections, the Department of General Services is exploring opportunities at other commonwealth-owned buildings to finance efficiency projects with savings from reduced energy consumption.
- **Online Voter Registration.** This new portal allows eligible citizens to register to vote online and update information such as name, address or party affiliation, providing added convenience for citizens, greater engagement in the democratic process, as well as improved data accuracy and reduced costs for counties.
- **Regionalizing State Prison Purchasing.** By consolidating the purchasing of food and other items for smaller facilities, the Department of Corrections has been able to improve operational efficiencies and timeliness for purchases, which will save an estimated \$1.5 million this fiscal year.

Theme: Government that Works

- **Reducing Inmate Medical Costs.** Following a comprehensive review of off-site trips for inmate medical treatment, the Department of Corrections identified several services that could be performed on-site or at nearby correctional facilities, reducing transportation costs. The department is also using its status as a covered entity under the Public Health Service Act to obtain HIV and Hepatitis C drugs at reduced prices.
- **Increasing Mobile Technology in the Field.** As a result of the savings and efficiencies that PennDOT has gained by developing mobile applications for inspectors working in the field, the budget provides for two additional mobile field technology pilot programs. The Department of Environmental Protection is looking to double the productivity of its inspectors working to protect our air, soil and water by utilizing this technology. The Department of Agriculture will increase efficiency and communications through the use of mobile technology and cloud storage.
- **Using Technology to Improve Public Safety.** Prior to this year's record-breaking snowstorm, PennDOT outfitted over 700 of its plow trucks with vehicle location software in order to respond more quickly to changing conditions and reduce salt usage, saving an expected \$1.4 million over the next four to six years. The public can also monitor plow truck locations using the state's traveler information website.

Filing Deadline Change for Corporate Net Income Tax Filers

The 2016-17 Budget proposes to align corporate filing deadlines in Pennsylvania with federal filing deadlines to create a more business-friendly filing process for businesses filing corporate tax returns. Under the current filing deadlines, required information from a flow-through business may not be available in time for taxpayers and practitioners to file timely and accurate corporate tax returns.

Beginning with the 2016 tax year, federal law extends the federal filing deadline for calendar-year corporate filers from March 15 to April 15. Because the Pennsylvania Corporate Net Income Tax return starts with the corporation's federal tax return information, the 2016-17 Budget proposes to similarly extend the Corporate Net Income Tax return due date for calendar-year filers from April 15 to May 15.

The Pennsylvania Corporate Net Income Tax filing deadlines for fiscal-year filers remains 30 days after the corporation's federal tax return is due.

Pay for Success

Initially proposed in the 2015-16 Budget, Pay for Success performance contracts provide an innovative strategy to finance proven programs through public-private partnerships on a straightforward proposition: taxpayers will only pay for services that get results and save money in the long run. Payments are tied to the achievement of specific, pre-established performance goals that are set forth in the contract, and only occur after rigorous evaluation.

Having concluded a competitive procurement process that evaluated a wide range of potential projects, the commonwealth is beginning contract negotiations for Pay for Success projects that aim to reduce adult and juvenile recidivism. The adult recidivism project will help young men who have a high risk of reoffending to successfully reenter their communities by providing life skills education, transitional employment, full-time job placement, and post-placement services. The juvenile recidivism project will deliver a holistic community-based care model to youth who would otherwise face costly, and potentially harmful, out-of-home placements. In keeping with the Pay for Success model, payments on these contracts will be conditional on the achievement of specific, measurable outcomes that improve public safety in Pennsylvania and save taxpayers money.

Relocation of the eHealth Partnership Authority to the Department of Human Services

The 2016-17 Budget proposes to move the eHealth Partnership Authority to the Department of Human Services to realize administrative savings and maximize federal dollars. Moving current personnel to the department would save approximately \$1 million annually, in addition to improving operations and timeliness.

Theme: Government that Works

Pension Improvements

The 2016-17 fiscal year will mark the end of steep increases in state and local school district contributions to pay unfunded future pension obligations. State General Fund costs will increase by nearly \$500 million before beginning to level off in future years. While the General Assembly continues to debate further changes to benefit plans for current and future employees, several administrative and financial management initiatives should be implemented to further reduce future obligations. These plans are detailed below:

- Consolidate investment management operations among the funds that manage short-term and long-term investment assets;
- Reduce fees for investment management services;
- Establish a restricted receipt account to ensure that future pension obligations are fully funded; and
- Abolish the Public Employee Retirement Commission to eliminate redundancy.

This year the combined unfunded liability for the Public School Employees' Retirement System and the State Employees' Retirement System will rise above \$58 billion. However, that liability will now start to decline as the state begins to pay its full required contributions to both systems. While annual contribution increases will moderate in future years, they will remain extraordinarily high for the next two decades, until the total liability is repaid.

Pension reforms previously enacted through Act 120 of 2010 have enabled us to reach this point. Significant benefit cuts for new employees reduced retirement benefits by 25 percent for new employees hired after the law was enacted. Collars have limited annual employer contribution increases since then. While manageable, these increases have created significant financial challenges for the state and school districts. The additional initiatives further detailed below can mitigate future financial pressures, allowing the commonwealth to meet its future funding obligations, while protecting retirement benefits for state employees and teachers.

Consolidating investment management operations could save millions of dollars in staff costs, eliminate duplicative contracts with private investment managers, and exploit strategic strengths within the existing administrative systems. Continuing efforts to reduce management fees could save nearly \$200 million, annually shaving an estimated \$2.3 billion from our long-term unfunded pension liability. Eliminating the Public Employee Retirement Commission and its redundant administrative functions could further reduce staff costs and provide more timely information when requested by the General Assembly.

Establishing a restricted receipt account to pay required contributions is the surest way to guarantee we will fully fund our future obligations. Recent downgrades from bond rating agencies, based in part on past actions to delay or defer pension payments, have already increased our cost for future borrowing by \$10 million annually for each \$1 billion in new debt issued. Together, these commonsense steps offer improved financial oversight for all investment decisions, provide millions of dollars in staff and administrative savings, and reduce our unfunded liability by nearly \$2.5 billion.

Modernizing Pennsylvania's Wine and Spirit System

Pennsylvania's state-controlled Wine and Spirits system provides more than \$580 million in profit and tax revenue to the commonwealth and municipalities annually. While the current system continues to make strides to enhance customer convenience and profits to the commonwealth, the system can be further modernized. Next steps in 2016-17 will generate an additional \$100 million for the commonwealth. Moving forward, a bipartisan stakeholder working group will be convened to look at ways to further maximize the value of our liquor system and assess the multitude of proposals before policymakers.

Theme: Government that Works

Making Pennsylvania Safer

Protecting our Farmers and Food Suppliers

The governor, in July 2015, allocated and has preserved \$3.5 million for planning and response efforts related to Highly Pathogenic Avian Influenza. This restricted funding has been critical, allowing Pennsylvania's planning/response work to continue uninterrupted. The commonwealth has purchased laboratory supplies and equipment, hired diagnostic staff for surge capacity and made technology investments, all with the goal of protecting our poultry farmers and consumers. These efforts have been appreciated by industry and acknowledged by our U.S. Department of Agriculture partners as essential to combating this foreign animal disease. The 2016-17 Budget provides \$3.5 million to continue these preparedness efforts.

Department of Corrections and Rehabilitation

As proposed in the 2015-16 Budget, this budget provides for one department – the Department of Corrections and Rehabilitation – to ensure public safety and the successful transition of offenders back into the community.

The status quo is not working. One out of every ten crimes in the commonwealth is committed by a person who was previously incarcerated in one of our state prisons. This statistic illustrates a significant problem in the way we address incarceration and rehabilitation as two separate processes. While some progress has been made in reducing incarceration rates, that progress is slow and more and more money is being spent while the safety of the public remains at risk.

As one agency, the department will be able to eliminate redundancies, upgrade outdated technological processes, equipment and decision-making tools, improve communication and scheduling to reduce delays, increase field staff, streamline continuity of care and services, and employ new, research-driven strategies. Overall, with one comprehensive department, we will be able to reduce roadblocks to success, ensure the safety of the public, and increase savings to the taxpayers at the same time.

Improved Treatment of Inmates with Mental Health Issues and Problem-Solving Courts

The Department of Corrections' mental health system recently underwent a major review as the U.S. Department of Justice and the Disability Rights Network of Pennsylvania have challenged mental health practices in our correctional system. To continue to address these concerns, this budget provides funding for additional personnel to lower staffing ratios for inmates with mental illness and provide them with the most appropriate treatment.

Additionally, this budget provides \$300,000 to the Pennsylvania Commission on Crime and Delinquency to award grants to counties to establish problem-solving courts where appropriate. These courts focus on the underlying chronic issues which lead to criminal behavior, such as substance use disorder, mental health conditions, homelessness and veterans-related issues.

State Police Cadet Classes

Following the completion of four State Police Cadet classes beginning in 2015-16, this budget provides for three additional classes beginning in 2016-17. These classes will restore and maintain historic State Police Trooper filled complement levels with traditional retirement and turnover.

Combating the Heroin and Opioid Epidemic

In the United States, 44 people die from an overdose of heroin or prescription opioids every day. Some data suggests that 80 percent of crime is driven by untreated or inadequately treated substance use disorder. Heroin and opioid addiction has become an epidemic across the country, and it is no different in Pennsylvania.

This year the administration has taken meaningful steps to address this crisis head on, including the issuance of a statewide standing order for naloxone. This medication, that can reverse an overdose caused by an opioid drug, is now available to families and friends of those suffering from the disease of addiction.

Theme: Government that Works

Additionally, the administration has moved forward with the development of the ABC-MAP prescription drug monitoring program, created the interagency Heroin Task Force, equipped all State Police vehicles and Capitol Police officers with naloxone, and supported the use of naloxone at schools across the commonwealth. These initiatives have saved nearly 600 lives in Pennsylvania.

To continue our efforts to combat this serious statewide epidemic, this budget provides more than \$34 million to treat more than 11,250 new individuals with substance use disorder. The Department of Human Services will provide 50 new Health Homes for individuals with substance use disorder, providing medication-assisted treatment and appropriate wraparound services, such as cognitive-based therapies.

These efforts will go along with the support and ongoing efforts of numerous other agencies, including the Department of Drug and Alcohol Programs, Department of Corrections and Rehabilitation, Department of Health, Department of State, Insurance Department, and Pennsylvania Commission on Crime and Delinquency.

Caring for our Most Vulnerable

Efficient investments in the following areas will result in reduced long-term costs, the better delivery of services and a strong return on investment for taxpayers.

Implement Express Lane Eligibility for Health Care Coverage for Children

Pennsylvania continues to be at the forefront of advancing health care options for residents across the state. In 1992, Pennsylvania established the Children's Health Insurance Program as a one-of-a-kind program designed to provide insurance coverage to children whose families earn too much to qualify for Medical Assistance, but could not afford to purchase private insurance. This innovative program aimed at improving health outcomes for children later became the model used by the federal government to develop its State Children's Health Insurance Program.

In 2015, the oversight of CHIP moved from the Insurance Department to the Department of Human Services through the passage of Act 84 of 2015. Every month, thousands of Pennsylvania children move between CHIP and Medicaid as family income changes. By locating CHIP oversight within the Department of Human Services, the state is better positioned to ensure that children who transition between both programs do so smoothly and that medical care is uninterrupted.

In addition to creating continuity in care, the move to the Department of Human Services will also allow the department to identify eligible children who are currently uninsured and connect them to appropriate health services. Making sure children are receiving quality health care services improves not just their quality of life but also academic and workforce outcomes.

By transitioning the Insurance Department's IT system to the Department of Human Services, the commonwealth can substantially reduce annual costs for maintenance, operations and upgrades that would be required to keep the system up to date with changing federal rules. **These administrative enhancements, combined with increased federal matching assistance, will reduce state costs for CHIP by more than \$100 million compared to 2014-15 costs.**

Improve Access to High-Quality Services for Infants and Toddlers

This initiative builds on the governor's commitment to high-quality early learning services by increasing state funding by \$10 million to support more than 1,900 children and their families through evidence-based home visiting services. Home visiting provides comprehensive support services including parenting support, healthy growth and child development, support of social systems and strengthening families, practices to assist with the prevention of child abuse, and the early identification of children with special needs or developmental delays. In Pennsylvania, there are approximately 89,000 at-risk infants and toddlers. Current programs serve less than 15 percent of these children.

Increase Access to Child Care for Low-Income Working Families

Access to child care is an integral part of families being able to start and keep employment. This initiative provides \$12 million to allow an additional 2,300 children currently on the Child Care Works Waiting List to receive care, so their parents can continue to work and support their families.

Theme: Government that Works

Reduce Waiting Lists for Individuals with Physical and Intellectual Disabilities.

The 2016-17 Budget includes a total of \$60.7 million to reduce waiting lists and expand services to vulnerable Pennsylvanians. Included in those dollars are \$12.3 million to provide home and community based services to 850 individuals with intellectual disabilities and autism. This budget also includes \$22 million to fully annualize the 2015-16 program expansion for individuals with intellectual disabilities and autism and \$93.4 million to fully annualize the 2015-16 expansion of community opportunities for individuals in long-term living programs.

Restore Human Services Funding for Counties to Serve More Individuals in the Community

In 2012-13, human services funding for counties was cut by 10 percent, resulting in reductions in the number of people served, the elimination of programs and staff layoffs, in addition to undermining the progress made to move individuals into the community. Last year, the governor proposed a three-year restoration of these cuts. Assuming the bipartisan budget agreement begins these restorations, this budget proposes to take the next step toward restoring these cuts.

Continued Implementation of Community HealthChoices to Improve Health Outcomes

In 2016-17, the Department of Human Services and Department of Aging will continue their combined three-year implementation of a managed long-term care program – Community HealthChoices – for older Pennsylvanians and adults with physical disabilities. This program will ensure that one entity is responsible for coordinating the physical health and long-term service and support needs of participants to improve care coordination and health outcomes while allowing more individuals to live in their community.

In January 2016, the commonwealth issued a request for proposals for Community HealthChoices Managed Care Organizations with the intention to make tentative awards in spring 2016, with the first stage of implementation in January 2017.

Economic Outlook

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

U.S. Recent Trends and Current Conditions

The United States economy remains sound as underlying fundamentals continue to improve. Consumer spending has been increasing recently, and housing activity in 2015 picked up after faltering in 2014.

The Federal Open Market Committee (FOMC), as expected, raised the federal funds rate by 25 basis points at the December 15-16, 2015 meeting. There hasn't been a rate hike for almost a decade. The expectation going forward is for four more 25 basis-point increases in 2016. Inflation has continued to run below the committee's targeted objective partially due to the sizable declines in oil prices, which should hold down inflation in the near future. Real GDP was revised to be lower for the third quarter, with solid growth in consumer spending and housing but weakness in parts of manufacturing. The Fed continues to forecast a moderate pace of growth going forward.

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

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

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

Chart 1
REAL GROSS DOMESTIC PRODUCT
Annual Growth

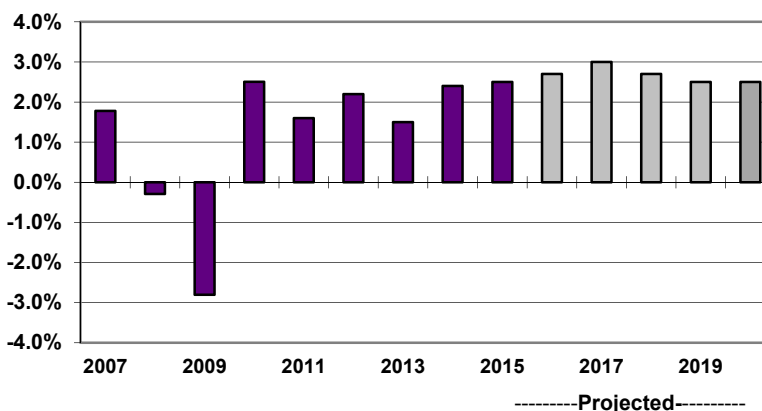
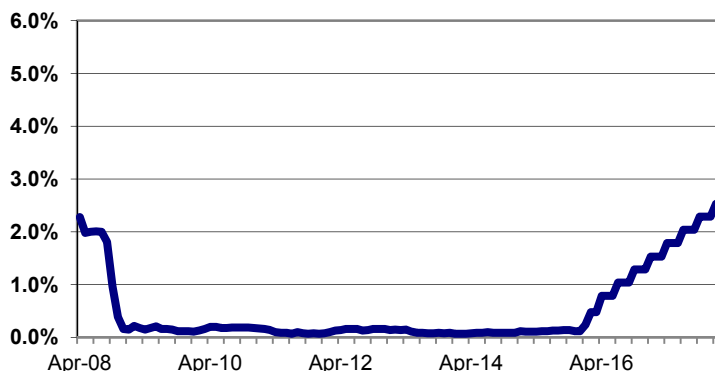


Chart 2
FEDERAL FUNDS RATE



Overview: Economic Outlook

The expectation, at least for the foreseeable future, is that the Fed will continue to monitor the U.S. economy and make a determination of the pace of the rate hikes. When the federal funds rate is low, banks have more money available to lend, and consumers can borrow at lower costs.

The Forecast

Growth is expected to be solid for the U.S. in the coming year as consumer spending, housing, and government spending continue to expand. Growth in spending was 3% over the past year and is predicted to grow at a similar level in 2016. Housing activity is predicted to grow and remain strong for the next several years. After the recent congressional budget agreement, the expectation is that government spending will add to GDP growth in 2016. The growth rate for the US economy for 2016 is expected to be in the 2.5-3.0% range.

Table 1 and Table 2 are U.S. Macro Forecast projections from IHS Global Insight. Table 1 outlines the expected outlook for lower unemployment and an increase in GDP. Table 2 notes that over the next two years there is a 65 percent probability of moderate GDP growth, with an increase in consumer and business fixed investment. Table 2 also provides narrative for each economic indicator.

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

Indicator	2014	2015p	2016p	2017p
Nominal GDP	4.1	3.5	4.6	5.1
Real GDP	2.2	2.4	2.7	3.1
Real Personal Consumption	2.7	3.1	3.1	3.2
Corporate Profits (After Tax)	0.1	5.8	5.4	0.3
Unemployment Rate (Rate)	6.2	5.3	4.9	4.8
CPI	1.6	0.1	1.4	2.8
Federal Funds (Rate)	0.1	0.1	0.9	1.9

*Assumptions in this chart, as well as other assumptions, are incorporated in the 2016-17 fiscal year revenue estimates.

p = projected

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

	Baseline Forecast (65% Probability)
GDP Growth	Moderate growth, 2.7% in 2016 and 3.1% in 2017
Consumer Spending	Moderately strong, up 3.1% in 2016 and 3.2% in 2017
Business Fixed Investment	Solid, up 5.3% in 2016 and 5.1% in 2017
Housing	Gradual improvement, with more than 1.3 million starts by the end of 2016
Exports	Mediocre, with 2.5% growth in 2016 and a 5.4% jump in 2017
Monetary Policy	The first federal funds rate hike occurred in December 2015, followed by several in succession, and the rate ends 2016 at 1.5%
Credit Conditions	Gradually easing
Consumer Confidence	Peaks in late 2016 and remains roughly stable
Oil Prices (Dollars/barrel)	Brent crude oil price averages \$54 in 2016 and \$65 in 2017
Stock Markets	The S&P 500 maintains steady growth, averaging 4.8% in 2016 and 3.2% between 2017-25
Inflation (CPI)	Headline CPI inflation picks up in 2016 as lower oil prices begin to reverse; core CPI inflation remains around 2.0% in 2016 and 2017
Foreign Growth	In 2016, Eurozone growth is expected to be around 1.7% and China's will slow to 6.3%
U.S. Dollar	The inflation-adjusted dollar appreciates 5.8% against the broad index of trading partners' currencies in 2016 and begins declining in the third quarter

Pennsylvania Outlook

Pennsylvania benefits from a highly diversified economy with a mix of industries, and no one single employment sector dominates Pennsylvania. Since the turbulent diversification of the Pennsylvania economy during the 1970's and 1980's, Pennsylvania has a much more stable economy which tends to

track the national economy but with less volatility. During periods of national economic contraction, Pennsylvania often will outperform the U.S. in areas such as growth in real gross state product, growth in real personal income, and employment growth. Pennsylvania's unemployment rate generally trends below the U.S. rate, and per capita income levels in the Commonwealth exceed national levels. However, during periods of economic expansion, Pennsylvania will often lag behind the rate of growth in the national economy.

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

The Pittsburgh area has attracted interest as high-tech jobs such as software development have moved into the area. This, and the state's numerous high-quality research universities, is helping to mitigate job migration.

Pennsylvania is expected to add jobs at an annual average rate of 0.8% over the next several years. This growth is low as compared to other states but is based upon Pennsylvania's slow population growth. Population growth for Pennsylvania remains below the national average. Also, recent Census estimates show that Pennsylvania is lagging behind many other states in net migration. These two factors may limit the labor-force growth rate.

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

Table 3
Key Economic Indicators for Pennsylvania

PENNSYLVANIA: Key Economic Indicators	2014	2015	2016	2017	2018	2019
Real Gross State Product (in millions, 2009 dollars)	603,748	614,619	628,176	642,342	655,094	667,410
Real Gross State Product (percentage change)	1.5%	1.8%	2.2%	2.3%	2.0%	1.9%
Total Employment (in thousands)	5,790.2	5,844.9	5,897.5	5,943.4	5,980.0	6,014.7
Total Employment (percentage change)	0.8%	0.9%	0.9%	0.8%	0.6%	0.6%
Manufacturing Employment (in thousands)	567.3	567.7	563.5	567.0	571.9	575.9
Nonmanufacturing Employment (in thousands.)	5,223.0	5,277.2	5,334.0	5,376.4	5,408.0	5,438.8
Population (in thousands)	12,794.8	12,804.0	12,816.5	12,830.6	12,846.6	12,864.5
Population (percentage change)	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Unemployment Rate (percentage)	5.6%	5.2%	4.8%	4.8%	4.8%	4.9%
Personal Income (percentage change)	3.6%	3.4%	3.8%	4.7%	4.7%	4.5%
U.S. ECONOMY						
Real Gross Domestic Product (percentage change)	2.2%	2.4%	2.7%	3.1%	2.7%	2.5%
Employment (percentage change)	1.9%	2.0%	1.6%	1.3%	1.2%	1.1%

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Summary of Major Operating Funds

The total 2016-17 operating budget for the commonwealth is \$80.2 billion. It includes \$32.7 billion in the General Fund, \$2.8 billion in the Motor License Fund, \$1.8 billion in the Lottery Fund, \$27.8 billion in federal funds and \$ 15.1 billion in fees and other special fund revenues.

(Dollar Amounts in Thousands)

Major Operating Fund Expenditures	Actual 2014-15	Available 2015-16	Budget 2016-17	2016-17 Change from 2015-16	
				Dollars	Percent
General Fund	\$ 29,152,763	\$ 30,558,597	\$ 32,727,800	\$ 2,169,203	7.1%
Motor License Fund	\$ 2,609,212	\$ 2,796,152	\$ 2,832,171	\$ 36,019	1.3%
Lottery Fund	\$ 1,939,385	\$ 1,821,699	\$ 1,822,856	\$ 1,157	0.1%

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

General Fund

Revenue

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

Tax revenue in the General Fund constitutes more than 96 percent of annual General Fund revenue. Four taxes account for the vast majority of General Fund tax revenue. The Personal Income Tax, the Sales and Use Tax, the Corporate Net Income Tax and the Gross Receipts Tax together provide approximately 84 percent of annual General Fund revenue. For non-tax revenue, the largest sources of revenue are typically from profit transfers from the Pennsylvania Liquor Control Board, licenses and fees, and the escheats or "unclaimed property" program.

Recent Revenue Trends: For the five fiscal years ending with 2014-15, total General Fund revenue increased by 11.3 percent, an annual rate of increase of approximately 2.7 percent. The rate of growth for revenue during the period has been affected by the recent recovery from the economic recession and the increased economic growth during the post-recessionary period. Without adjusting for tax rate and base changes, the major tax revenue sources experiencing the largest growth during this period were the Realty Transfer Tax, the Corporate Net Income Tax, and the Inheritance Tax. Five-year total increases for these tax types were 48.2 percent, 31.9 percent and 24.5 percent, respectively. Revenue from some tax sources declined or was flat over the period. Receipts from the Capital Stock and Foreign Franchise Tax declined 70.5 percent over this period. Non-tax revenue sources increased modestly over this five-year period.

Receipts from the Personal Income Tax in recent fiscal years had been steadily improving since the national economic recession. Over the last five fiscal years, growth in personal income tax receipts has averaged 3.8 percent annually. For fiscal year 2016-17, Personal Income Tax receipts are anticipated to increase with the proposed rate increase. Estimates for the Personal Income Tax are developed from a series of regression equations that use forecasts of wages, salaries, interest, dividends, rents, and capital gains income.

The Sales and Use Tax is levied on taxable property and services used by consumers and by businesses. Annual growth rates for this tax have been modest during the recovery from the most recent recession, increasing at an average rate of 2.5 percent annually over the past five completed fiscal years. Estimates for the Sales and Use Tax are developed from a series of regression equations that use forecasts of national consumer expenditures on durable goods, non-durable goods, and new and used motor vehicles.

Overview: Summary of Major Operating Funds

The largest General Fund tax on businesses is the Corporate Net Income Tax. Annual receipts from the Corporate Net Income Tax can vary significantly from year-to-year and may experience a year-over-year decline. This variability is due to fluctuations in corporate profitability, including losses, the availability and use of tax credits and Net Operating Loss deductions, and the timing of estimated and final state tax payments based on when a corporation's tax year begins. Previously enacted tax rate reductions to the Capital Stock and Foreign Franchise Tax were implemented, culminating in the elimination of this tax on January 1, 2016. Corporate Net Income Tax receipts over the past five completed fiscal years have increased by a total of 31.9 percent or by 7.2 percent annually. Overall, corporate tax collections averaged a modest increase over the past five fiscal years, growing 1.1 percent annually. Estimates for the Corporate Net Income Tax are developed from a regression equation that uses forecasts of national before-tax corporate profits.

Expenditures

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

The total General Fund budget proposed for 2016-17 is \$32.7 billion. General Fund expenditure growth is projected to increase 7.1 percent. Major program expenditures occur in the areas of education, public health and human services and state correctional institutions.

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

The largest such subsidy is the Basic Education subsidy, which provides commonwealth aid to local school districts. This budget proposes more than \$6.3 billion for the Basic Education subsidy in state funds in 2016-17, which is a \$200 million or 3.3 percent increase (in addition to the \$400 million increase in 2015-16). Basic education increases include \$50 million, or 33.9 percent, for Pre-K Counts; \$10 million, or 20.3 percent, for Head Start Supplemental Assistance; \$15 million, or 21.4 percent, for Career and Technical Education; and \$50 million, or 4.6 percent, for Special Education. In total, state funding for basic education is more than \$11.5 billion in 2016-17.

Higher Education: Higher education in Pennsylvania is provided through 280 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 \$2.1 billion for higher education.

Public Health and Human Services: The commonwealth provides support for its residents who are seeking to achieve and sustain independence. It also provides care, treatment and rehabilitation to persons with behavioral, intellectual and physical disabilities. In 2015-16 *Medicaid Expansion* closed the coverage gap for working adults and streamlined delivery of health care services. The commonwealth also supports disease prevention programs. For 2016-17, the total public health and human services expenditures from all sources is \$39.5 billion; the amount from the General Fund will be \$13.1 billion, which is an increase of \$1 billion or 8.4 percent.

The largest component of public health and human service expenditures is the Medical Assistance program. In the last ten years, the program grew at an annual rate of 5.5 percent. Caseload growth has stabilized the last few years except for an increase from the implementation of *Medicaid Expansion*. While technological advances in medicine and general medical inflation, including increases in pharmaceutical prices, contribute to an overall increase in MA expenditures in 2016-17, this increase is mitigated through cost containment and operational efficiencies. Total funding in 2016-17 increased by \$1.9 billion from \$24.4 billion to \$26.3 billion. State funds are anticipated to increase from \$6.9 billion in 2015-16 to \$7.4 billion in 2016-17, which is an increase of \$572 million or 8.3 percent. The state fund increase is due primarily to an increase in caseload and utilization in the various programs and a one-time shift to fund County Child Welfare on a cash basis.

Income maintenance, including cash assistance payments and child care services for families in transition to independence and self-sufficiency, totaled \$2.8 billion from all sources for 2015-16. The

Overview: Summary of Major Operating Funds

2016-17 budget increases total resources to \$2.9 billion while the commonwealth's General Fund share is increased from \$882 million to \$920 million. Of the \$2.9 billion, the budget provides a total of \$806 million for child care services.

The 2016-17 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 2016, that will be reduced to 2,341, a reduction of 54 percent. Over that period the community budgets will have grown by more than \$1.8 billion, an increase of 102.9 percent.

State Correctional Institutions: The 2016-17 budget proposed for the state correctional system is \$2.39 billion. From 2012-13 to 2016-17, total costs have grown from \$1.86 billion to \$2.39 billion. During this timeframe, the inmate population has declined by nearly 1,600, from 51,184 to 49,587.

Motor License Fund

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

Taxes on motor fuels provided approximately 60 percent of total non-restricted Motor License Fund revenues in 2014-15. Total tax revenue has been growing incrementally over the past several years. For the five-year period ending with 2014-15, revenues increased at an annual average rate of 0.9 percent. For 2015-16 tax revenues are expected to increase 7.4 percent over fiscal year 2014-15. License and fee revenues represent the other major source of revenues for the Motor License Fund. Annual growth of receipts from these sources has also been modest in recent years. For the five-year period ending with 2014-15, license and fee revenues increased at an annual average rate of 1.6 percent. An increase of 0.3 percent in license and fee revenue is projected for fiscal year 2016-17. The Motor License Fund is expected to increase 2.6 percent for fiscal year 2015-16 versus fiscal year 2014-15.

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

Lottery Fund

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

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

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

Overview: Summary of Major Operating Funds

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 2016-17, \$317.3 million is provided for the PENNCARE appropriation which includes an increase of \$2.5 million to expand Attendant Care services to 312 additional people. For additional details, see the Department of Aging presentation.

The Lottery Fund also provides \$184.1 million to offset program costs in Long-Term Care, \$105.7 million to offset program costs for the Home and Community-Based Services program in the Department of Human Services and \$3.3 million to offset program costs for Medical Assistance Transportation Services.

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

Rainy Day Fund

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

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

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

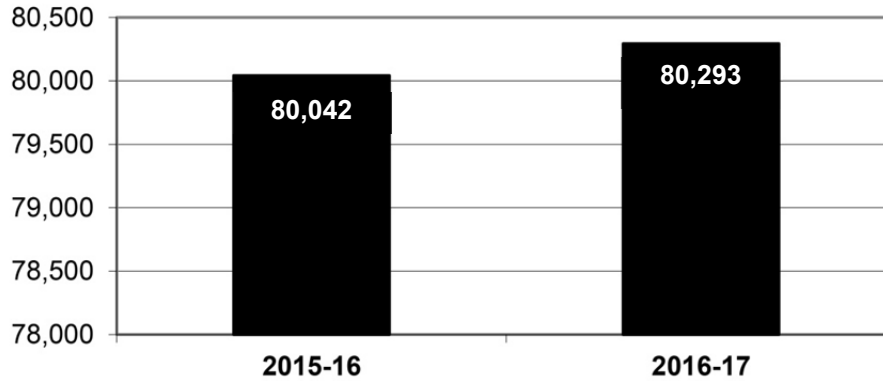
The transfer from the 2003-04 General Fund balance to the Budget Stabilization Reserve Fund of \$190 million exceeded the 25 percent statutory minimum and increased the balance in the Fund to more than \$260 million, bringing it slightly higher than the balance in 1996-97. In accordance with Act 41 of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

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

Act 126 of 2014 suspended the transfer of surplus funds to the Budget Stabilization Reserve Fund for 2013-14. Under current law, the 25 percent transfer for 2014-15 will be made by March 31, 2016. The Budget Stabilization Reserve Fund is anticipated to have a balance of \$68.9 million as of June 30, 2016. This budget proposes to suspend the 25 percent transfer for 2015-16 and reinstate the transfer of 25 percent of the 2016-17 General Fund surplus to the Budget Stabilization Reserve Fund.

Complement

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



This budget proposes an overall increase in the commonwealth's current authorized FTE salaried complement level in 2016-17 of 251 positions, from 80,042 to 80,293 positions.



STATEMENTS

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

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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 2014-15 actual year, 2015-16 available year and 2016-17 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)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Beginning Balance.....	\$ 80,631	\$ 205,843	\$ 31,233	\$ 9,081	\$ 6,204	\$ 112,298	\$ 352,420
Revenues.....	\$ 30,592,501	\$ 31,538,487	\$ 34,033,675	\$ 35,434,875	\$ 36,765,575	\$ 38,070,975	\$ 39,254,575
Adjustments ^a	-1,245,912	-1,154,500	-1,325,000	-1,339,100	-1,340,000	-1,350,000	-1,360,000
Funds Available.....	\$ 29,427,220	\$ 30,589,830	\$ 32,739,908	\$ 34,104,856	\$ 35,431,779	\$ 36,833,273	\$ 38,246,995
Total Spending.....	-29,152,763	-30,558,597	-32,727,800	-34,096,583	-35,282,048	-36,363,380	-37,426,342
Preliminary Balance.....	\$ 274,457	\$ 31,233	\$ 12,108	\$ 8,273	\$ 149,731	\$ 469,893	\$ 820,653
Less Transfer to Budget Stabilization Reserve Fund.....	-68,614 ^b	0 ^c	-3,027 ^d	-2,069	-37,433	-117,473	-205,163
Ending Balance.....	<u>\$ 205,843</u>	<u>\$ 31,233</u>	<u>\$ 9,081</u>	<u>\$ 6,204</u>	<u>\$ 112,298</u>	<u>\$ 352,420</u>	<u>\$ 615,490</u>

^a Includes refunds, lapses and adjustments to beginning balances.

^b Under current law, the 25% transfer to the Budget Stabilization Reserve Fund for 2014-15 will be made by March 31, 2016.

^c This budget proposes to suspend the 25% transfer to the Budget Stabilization Reserve Fund for 2015-16.

^d This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2016-17.

Seven Year Financial Statements By Fund

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Beginning Balance.....	\$ 104,796	\$ 130,345	\$ 34,293	\$ 17,622	\$ 17,260	\$ 13,747	\$ 12,484
Receipts.....	<u>2,634,761</u>	<u>2,700,100</u>	<u>2,815,500</u>	<u>2,939,500</u>	<u>2,956,500</u>	<u>2,989,300</u>	<u>3,015,200</u>
Funds Available.....	\$ 2,739,557	\$ 2,830,445	\$ 2,849,793	\$ 2,957,122	\$ 2,973,760	\$ 3,003,047	\$ 3,027,684
Less Expenditures.....	<u>-2,609,212</u>	<u>-2,796,152</u>	<u>-2,832,171</u>	<u>-2,939,862</u>	<u>-2,960,013</u>	<u>-2,990,563</u>	<u>-3,015,538</u>
Ending Balance.....	<u>\$ 130,345</u>	<u>\$ 34,293</u>	<u>\$ 17,622</u>	<u>\$ 17,260</u>	<u>\$ 13,747</u>	<u>\$ 12,484</u>	<u>\$ 12,146</u>

Lottery Fund

	(Dollar Amounts in Thousands)						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Beginning Balance.....	\$ 202,173	\$ 14,794	\$ 40,937	\$ 23,731	\$ -59,000	\$ -141,348	\$ -218,397
Add Reserve From Prior Year.....	75,000	75,000	75,000	0	0	0	0
Receipts.....	<u>1,752,006</u>	<u>1,847,842</u>	<u>1,730,650</u>	<u>1,743,650</u>	<u>1,756,550</u>	<u>1,770,850</u>	<u>1,787,850</u>
Funds Available.....	\$ 2,029,179	\$ 1,937,636	\$ 1,846,587	\$ 1,767,381	\$ 1,697,550	\$ 1,629,502	\$ 1,569,453
Less Expenditures.....	<u>-1,939,385</u>	<u>-1,821,699</u>	<u>-1,822,856</u>	<u>-1,826,381</u>	<u>-1,838,898</u>	<u>-1,847,899</u>	<u>-1,856,569</u>
Less Reserve for Current Year.....	<u>-75,000</u>	<u>-75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance.....	<u>\$ 14,794</u>	<u>\$ 40,937</u>	<u>\$ 23,731</u>	<u>\$ -59,000</u>	<u>\$ -141,348</u>	<u>\$ -218,397</u>	<u>\$ -287,116</u>

^a Excludes restricted revenue.

Overview and Summaries

Seven Year Department Summary by Fund

The following is a summary by department of 2014-15 actual expenditures, the 2015-16 amounts available, the 2016-17 amounts budgeted and future year estimates for the General Fund and selected Special Funds.

	(Dollar Amounts in Thousands)						
	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Governor's Office							
General Fund.....	\$ 6,508	\$ 6,503	\$ 6,887	\$ 6,956	\$ 7,025	\$ 7,096	\$ 7,167
Executive Offices							
General Fund.....	\$ 173,786	\$ 187,797	\$ 184,142	\$ 185,531	\$ 186,735	\$ 188,052	\$ 189,482
Motor License Fund.....	1,334	1,401	1,244	1,256	1,269	1,282	1,295
Department Total.....	\$ 175,120	\$ 189,198	\$ 185,386	\$ 186,787	\$ 188,004	\$ 189,334	\$ 190,777
Lieutenant Governor							
General Fund.....	\$ 1,383	\$ 1,623	\$ 1,655	\$ 1,672	\$ 1,688	\$ 1,705	\$ 1,722
Attorney General							
General Fund.....	\$ 92,289	\$ 95,677	\$ 96,675	\$ 97,628	\$ 98,590	\$ 99,561	\$ 100,543
Auditor General							
General Fund.....	\$ 44,864	\$ 46,316	\$ 48,442	\$ 45,896	\$ 46,355	\$ 46,819	\$ 47,287
Treasury							
General Fund.....	\$ 1,144,487	\$ 1,181,955	\$ 1,277,645	\$ 1,324,287	\$ 1,366,943	\$ 1,401,795	\$ 1,463,282
Motor License Fund.....	34,319	44,144	65,185	79,171	80,315	80,295	80,260
Department Total.....	\$ 1,178,806	\$ 1,226,099	\$ 1,342,830	\$ 1,403,458	\$ 1,447,258	\$ 1,482,090	\$ 1,543,542
Aging							
Lottery Fund.....	\$ 487,321	\$ 539,463	\$ 577,071	\$ 589,122	\$ 597,637	\$ 601,324	\$ 605,191
Agriculture							
General Fund.....	\$ 126,892	\$ 130,528	\$ 142,557	\$ 139,966	\$ 143,754	\$ 144,066	\$ 144,382
Motor License Fund.....	32,328	32,728	32,728	32,775	32,823	32,871	32,920
Department Total.....	\$ 159,220	\$ 163,256	\$ 175,285	\$ 172,741	\$ 176,577	\$ 176,937	\$ 177,302
Civil Service Commission							
General Fund.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Community and Economic Development							
General Fund.....	\$ 204,016	\$ 269,405	\$ 287,863	\$ 288,241	\$ 288,632	\$ 289,010	\$ 289,406
Motor License Fund.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Department Total.....	\$ 205,089	\$ 270,478	\$ 288,936	\$ 289,314	\$ 289,705	\$ 290,083	\$ 290,479
Conservation and Natural Resources							
General Fund.....	\$ 14,329	\$ 59,947	\$ 121,263	\$ 122,445	\$ 123,637	\$ 124,841	\$ 126,059
Motor License Fund.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Department Total.....	\$ 21,329	\$ 66,947	\$ 128,263	\$ 129,445	\$ 130,637	\$ 131,841	\$ 133,059
Corrections and Rehabilitation							
General Fund.....	\$ 2,133,548	\$ 2,251,201	\$ 2,610,774	\$ 2,694,337	\$ 2,788,769	\$ 2,897,021	\$ 3,009,568
Drug and Alcohol Programs							
General Fund.....	\$ 41,860	\$ 48,101	\$ 47,614	\$ 47,628	\$ 47,642	\$ 47,656	\$ 47,670

Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Education							
General Fund.....	\$ 11,563,865	\$ 12,305,021	\$ 12,917,064	\$ 13,566,048	\$ 14,140,552	\$ 14,617,021	\$ 15,004,673
Motor License Fund.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Department Total.....	\$ 11,564,965	\$ 12,306,121	\$ 12,918,164	\$ 13,567,148	\$ 14,141,652	\$ 14,618,121	\$ 15,005,773
eHealth Partnership Authority							
General Fund.....	\$ 1,850	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Emergency Management Agency							
General Fund.....	\$ 16,155	\$ 13,365	\$ 13,735	\$ 13,871	\$ 14,007	\$ 14,146	\$ 14,286
Environmental Protection							
General Fund.....	\$ 141,488	\$ 148,824	\$ 156,248	\$ 157,766	\$ 159,300	\$ 160,849	\$ 162,414
Ethics Commission							
General Fund.....	\$ 2,090	\$ 2,371	\$ 2,433	\$ 2,457	\$ 2,482	\$ 2,507	\$ 2,532
General Services							
General Fund.....	\$ 121,028	\$ 126,317	\$ 119,745	\$ 120,891	\$ 122,050	\$ 123,221	\$ 124,403
Motor License Fund.....	10,299	10,320	10,306	10,306	10,306	10,306	10,306
Department Total.....	\$ 131,327	\$ 136,637	\$ 130,051	\$ 131,197	\$ 132,356	\$ 133,527	\$ 134,709
Health							
General Fund.....	\$ 199,804	\$ 202,244	\$ 209,205	\$ 210,088	\$ 210,978	\$ 211,879	\$ 212,787
Health Care Cost Containment Council							
General Fund.....	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,737	\$ 2,764	\$ 2,792	\$ 2,820
Higher Education Assistance Agency							
General Fund.....	\$ 391,475	\$ 353,563	\$ 353,663	\$ 403,663	\$ 403,663	\$ 403,663	\$ 403,663
Historical and Museum Commission							
General Fund.....	\$ 20,944	\$ 21,624	\$ 22,624	\$ 22,830	\$ 23,039	\$ 23,249	\$ 23,461
Human Services							
General Fund.....	\$ 11,362,257	\$ 11,667,529	\$ 12,657,519	\$ 13,165,293	\$ 13,591,729	\$ 14,038,208	\$ 14,506,020
Lottery Fund.....	476,558	294,649	293,049	293,049	293,049	293,049	293,049
Department Total.....	\$ 11,838,815	\$ 11,962,178	\$ 12,950,568	\$ 13,458,342	\$ 13,884,778	\$ 14,331,257	\$ 14,799,069
Insurance							
General Fund.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Labor and Industry							
General Fund.....	\$ 71,368	\$ 81,404	\$ 91,190	\$ 91,215	\$ 91,491	\$ 91,768	\$ 92,050
Military and Veterans Affairs							
General Fund.....	\$ 120,927	\$ 132,041	\$ 148,740	\$ 153,470	\$ 158,071	\$ 162,848	\$ 167,808

Overview and Summaries

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Probation and Parole							
General Fund.....	\$ 156,028	\$ 167,245	\$ 0	\$ 0	\$ 0	\$ 0	0
Revenue							
General Fund.....	\$ 176,347	\$ 182,681	\$ 194,390	\$ 201,367	\$ 214,772	\$ 198,464	\$ 202,282
Lottery Fund.....	798,088	810,505	773,854	765,328	769,330	774,644	779,447
Motor License Fund.....	31,695	36,076	38,499	40,692	42,887	43,084	43,283
Department Total.....	\$ 1,006,130	\$ 1,029,262	\$ 1,006,743	\$ 1,007,387	\$ 1,026,989	\$ 1,016,192	\$ 1,025,012
State							
General Fund.....	\$ 11,149	\$ 11,972	\$ 12,153	\$ 10,154	\$ 10,140	\$ 10,327	\$ 10,326
State Police							
General Fund.....	\$ 221,062	\$ 245,873	\$ 268,536	\$ 281,128	\$ 291,470	\$ 302,222	\$ 310,769
Motor License Fund.....	676,118	755,158	813,945	851,688	883,000	915,558	941,512
Department Total.....	\$ 897,180	\$ 1,001,031	\$ 1,082,481	\$ 1,132,816	\$ 1,174,470	\$ 1,217,780	\$ 1,252,281
Transportation							
General Fund.....	\$ 6,013	\$ 6,165	\$ 6,114	\$ 6,130	\$ 6,143	\$ 6,159	\$ 6,175
Lottery Fund.....	177,418	181,882	178,882	178,882	178,882	178,882	178,882
Motor License Fund.....	1,813,946	1,912,152	1,861,091	1,914,801	1,900,240	1,897,994	1,896,789
Department Total.....	\$ 1,997,377	\$ 2,100,199	\$ 2,046,087	\$ 2,099,813	\$ 2,085,265	\$ 2,083,035	\$ 2,081,846
Legislature							
General Fund.....	\$ 229,906	\$ 229,760	\$ 304,416	\$ 307,462	\$ 310,538	\$ 313,644	\$ 316,780
Judiciary							
General Fund.....	\$ 317,432	\$ 342,432	\$ 364,633	\$ 367,761	\$ 370,917	\$ 374,108	\$ 377,326
Government Support Agencies							
General Fund.....	\$ 34,902	\$ 34,902	\$ 50,164	\$ 50,664	\$ 51,171	\$ 51,682	\$ 52,198
COMMONWEALTH TOTALS:							
General	\$ 29,152,763	\$ 30,558,597	\$ 32,727,800	\$ 34,096,583	\$ 35,282,048	\$ 36,363,380	\$ 37,426,342
Lottery	1,939,385	1,826,499	1,822,856	1,826,381	1,838,898	1,847,899	1,856,569
Motor License	2,609,212	2,801,152	2,832,171	2,939,862	2,960,013	2,990,563	3,015,538
GRAND TOTAL	<u>\$ 33,701,360</u>	<u>\$ 35,186,248</u>	<u>\$ 37,382,827</u>	<u>\$ 38,862,826</u>	<u>\$ 40,080,959</u>	<u>\$ 41,201,842</u>	<u>\$ 42,298,449</u>

General and Special Funds

This table shows a summary by Commonwealth Programs of 2014-15 expenditures, the 2015-16 amounts available, the 2016-17 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)						
	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Direction and Supportive Services.....	\$ 1,320,221	\$ 1,365,081	\$ 1,417,351	\$ 1,437,994	\$ 1,464,466	\$ 1,460,128	\$ 1,475,986
Protection of Persons and Property.....	4,148,759	4,431,516	4,769,649	4,905,525	5,047,741	5,209,259	5,363,106
Education.....	11,913,224	12,616,429	13,226,102	13,925,954	14,501,370	14,978,798	15,367,458
Health and Human Services.....	12,966,161	13,167,103	14,222,165	14,725,876	15,164,488	15,618,900	16,094,513
Economic Development.....	264,031	338,874	364,418	365,441	366,508	367,596	368,738
Transportation	1,860,589	1,951,351	1,886,610	1,939,989	1,929,616	1,924,527	1,923,518
Recreation and Cultural Enrichment.....	112,863	161,088	225,900	227,318	228,750	230,195	231,656
Debt Service.....	1,115,512	1,154,806	1,270,632	1,334,729	1,378,020	1,412,439	1,473,474
GENERAL FUND AND SPECIAL							
FUNDS TOTAL.....	<u>\$ 33,701,360</u>	<u>\$ 35,186,248</u>	<u>\$ 37,382,827</u>	<u>\$ 38,862,826</u>	<u>\$ 40,080,959</u>	<u>\$ 41,201,842</u>	<u>\$ 42,298,449</u>

Distribution of the Commonwealth Dollar

GENERAL FUND AND SPECIAL FUNDS

2016-17 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 2014-15 expenditures, the 2014-16 amounts available, the 2016-17 amounts budgeted and future year estimates.

Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 739,722	\$ 769,076	\$ 861,345	\$ 865,704	\$ 883,261	\$ 872,194	\$ 881,332
Protection of Persons and Property.....	3,304,933	3,496,335	3,765,005	3,862,759	3,977,806	4,103,874	4,231,913
Education.....	11,912,124	12,615,329	13,225,002	13,924,854	14,500,270	14,977,698	15,366,358
Health and Human Services.....	11,724,032	12,047,791	13,062,145	13,575,305	14,007,002	14,458,927	14,932,373
Economic Development.....	262,958	337,801	363,345	364,368	365,435	366,523	367,665
Transportation	4,605	4,612	4,608	4,609	4,606	4,607	4,608
Recreation and Cultural Enrichment.....	105,863	154,088	218,900	220,318	221,750	223,195	224,656
Debt Service.....	1,098,526	1,133,565	1,227,450	1,278,666	1,321,918	1,356,362	1,417,437
GENERAL FUND TOTAL.....	\$ 29,152,763	\$ 30,558,597	\$ 32,727,800	\$ 34,096,583	\$ 35,282,048	\$ 36,363,380	\$ 37,426,342

GENERAL FUND

2016-17 Fiscal Year



Income

(Dollar Amounts in Thousands)

TOTAL INCOME	\$34,033,675
Refunds	-1,325,000
Beginning Balance.....	31,233
TOTAL	\$32,739,908

Personal Income	
\$13,967,375	41.1%
Consumption	\$12,492,400 36.7%
Business	\$5,353,700 15.7%
Other Taxes	\$1,634,900 4.8%
Non-Tax Revenue	\$585,300 1.7%

Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO	\$ 32,727,800
Budget Stabilization	
Reserve Fund	3,027
Plus Ending Surplus	9,081
TOTAL	\$ 32,739,908

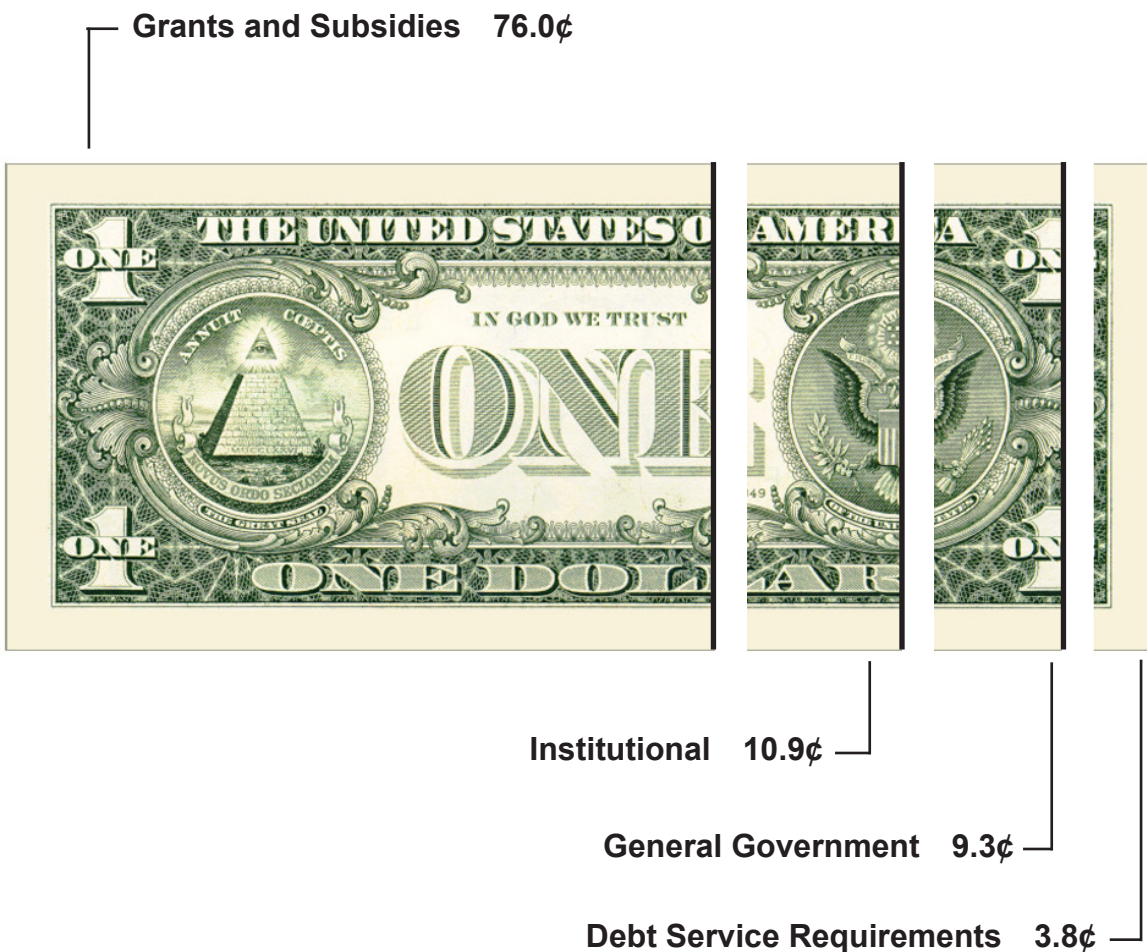


Education	\$13,225,002	40.4%
Health and Human Services	\$13,062,145	39.9%
Protection of Persons and Property	\$3,765,005	11.5%
Debt Service	\$1,227,450	3.8%
Direction and Supportive Services	\$861,345	2.6%
Economic Development	\$363,345	1.1%
Other Programs	\$223,508	0.7%

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

2016-17 Fiscal Year



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



FEDERAL BLOCK GRANTS

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

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

The Anti-Drug Abuse and Workforce Innovation and Opportunity programs have also been included because the federal government provides flexibility on the activities eligible for funding.

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 2015-16 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 2016-17 is a preliminary proposal. Opportunities for public review and comment may result in modifications to the proposed distribution.

Summary of Federal Block Grants

This table shows a summary by federal block grant of 2014-15 expenditures, 2015-16 available and 2016-17 amounts budgeted as presented in the 2016-17 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Anti-Drug Abuse.....	\$ 20,800	\$ 17,600	\$ 17,600
Child Care and Development Fund.....	373,407	399,846	422,194
Community Services.....	31,007	41,607	51,607
Low-Income Home Energy Assistance.....	388,000	396,500	396,500
Maternal and Child Health Services.....	32,507	32,539	32,539
Mental Health Services.....	20,861	18,539	18,539
Preventive Health and Health Services.....	9,100	11,236	11,233
Social Services.....	96,060	96,060	96,060
Substance Abuse.....	64,785	67,664	67,664
Temporary Assistance to Needy Families.....	609,863	606,116	593,597
Workforce Innovation and Opportunity.....	240,900	240,000	240,000
TOTAL.....	\$ 1,887,290	\$ 1,927,707	\$ 1,947,533

Anti-Drug Abuse

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

The Residential Substance Abuse Treatment program is intended to assist state and local governments in developing and implementing residential substance abuse treatment programs within state and local correctional facilities in which prisoners are incarcerated for a period of time sufficient to permit substance abuse treatment.

(Dollar Amounts in Thousands)

Department / Appropriation	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
Justice Assistance Grants.....	\$ 18,000	\$ 15,000	\$ 15,000
Justice Assistance Grants — Administration.....	1,500	1,300	1,300
Residential Substance Abuse Treatment Program.....	1,300	1,300	1,300
Subtotal.....	<u>\$ 20,800</u>	<u>\$ 17,600</u>	<u>\$ 17,600</u>
Corrections and Rehabilitation:			
JAG — Culinary Program (EA).....	\$ 40 ^a	\$ 0	\$ 0
RSAT — State Prisoners (EA).....	570 ^a	750 ^a	750 ^a
State Intermediate Punishment - HOPE Research (EA).....	131 ^a	69 ^a	0
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
State Police:			
Law Enforcement Projects (EA)	1,186 ^a	1,270 ^a	3,055 ^a
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL.....	<u><u>\$ 20,800</u></u>	<u><u>\$ 17,600</u></u>	<u><u>\$ 17,600</u></u>

^a Subgrants not added to total to avoid double counting.

Child Care and Development Fund

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

(Dollar Amounts in Thousands)

Department / Appropriation	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
CCDFBG — Subsidized Day Care Fraud.....	\$ 905	\$ 905	\$ 905
Human Services:			
CCDFBG — Administration.....	\$ 16,723	\$ 21,840	\$ 22,895
CCDFBG — Child Care Services.....	210,889	244,856	265,268
CCDFBG — School Age.....	1,260	1,260	1,260
CCDFBG — Child Care Assistance.....	143,630	130,985	131,866
Subtotal.....	\$ 372,502	\$ 398,941	\$ 421,289
TOTAL.....	\$ 373,407	\$ 399,846	\$ 422,194

Community Services

This block grant provides funding 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.

¹ Federal law requires that 90 percent of the funding be distributed to Community Action Agencies. Five percent is allowed for administration and the remaining five percent is utilized for competitive projects. The 90 percent program monies are being granted to existing CAAs for operating costs and low-income energy assistance efforts, the Community Action Association of Pennsylvania and competitive grants are awarded in the areas of employment training, job preparedness, community conservation corps, community economic development, summer employment and youth programs, emergency assistance and homeless assistance.

¹ 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	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Community and Economic Development:			
CSBG — Administration.....	\$ 1,507	\$ 1,607	\$ 1,607
Community Services Block Grant.....	29,500	40,000	50,000
TOTAL.....	\$ 31,007	\$ 41,607	\$ 51,607

Low-Income Home Energy Assistance

This block grant provides funding 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	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Community and Economic Development:			
LIHEABG — Administration.....	\$ 1,000	\$ 1,500	\$ 1,500
LIHEABG — Weatherization Program.....	40,000	48,000	48,000
Subtotal.....	\$ 41,000	\$ 49,500	\$ 49,500
Human Services:			
LIHEABG — Administration.....	\$ 27,000	\$ 27,000	\$ 27,000
LIHEABG — Low-Income Families and Individuals.....	320,000	320,000	320,000
Subtotal.....	\$ 347,000	\$ 347,000	\$ 347,000
TOTAL.....	\$ 388,000	\$ 396,500	\$ 396,500

Maternal and Child Health Services

This block grant provides funding 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, such as outreach, promotional costs, laboratory supplies and help line services.

(Dollar Amounts in Thousands)

Department / Appropriation	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Health:			
MCHSBG — Administration and Operation.....	\$ 15,472	\$ 14,404	\$ 14,641
MCHSBG — Program Services.....	17,035	18,135	17,898
TOTAL.....	\$ 32,507	\$ 32,539	\$ 32,539

Overview: Federal Block Grants

Mental Health Services

This block grant provides funding 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	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Human Services:			
MHSBG — Administration.....	\$ 461	\$ 539	\$ 539
MHSBG — Community Mental Health Services.....	20,400	18,000	18,000
TOTAL.....	\$ 20,861	\$ 18,539	\$ 18,539

Preventive Health and Health Services

This block grant provides funding for preventive health services. Programs include activities to promote improvements in health status through achievement of the National Year 2020 Health Objectives; programs for community and school-based fluoridation; feasibility studies and planning for emergency medical services systems and the establishment, expansion and improvement of such systems; services to victims of sex offenders; and related planning, administration and educational activities. Funding also supports efforts to eliminate 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	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Education			
Preventive Health and Health Services (EA).....	\$ 250 ^a	\$ 250 ^a	\$ 0
Health:			
PHHSBG — Administration and Operation.....	\$ 1,941	\$ 4,456	\$ 4,561
PHHSBG — Block Program Services.....	7,159	6,780	6,672
Subtotal.....	\$ 9,100	\$ 11,236	\$ 11,233
Human Services:			
PHHSBG — Domestic Violence (EA).....	\$ 100 ^a	\$ 100 ^a	\$ 100 ^a
TOTAL.....	\$ 9,100	\$ 11,236	\$ 11,233

^a Subgrant not added to total to avoid double counting.

Social Services

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

In addition to funds received directly through this 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	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Human Services:			
SSBG — Administration.....	\$ 325	\$ 325	\$ 325
SSBG — County Assistance Offices.....	6,262	6,262	6,262
SSBG — Basic Institutional Programs.....	10,000	10,000	10,000
SSBG — Community Mental Health Services.....	10,366	10,366	10,366
SSBG — Community ID Services.....	7,451	7,451	7,451
SSBG — Child Welfare.....	12,021	12,021	12,021
SSBG — Child Care Services.....	30,977	30,977	30,977
SSBG — Domestic Violence Programs.....	5,705	5,705	5,705
SSBG — Rape Crisis.....	1,721	1,721	1,721
SSBG — Family Planning.....	2,000	2,000	2,000
SSBG — Legal Services.....	5,049	5,049	5,049
SSBG — Homeless Services.....	4,183	4,183	4,183
TOTAL.....	<u>\$ 96,060</u>	<u>\$ 96,060</u>	<u>\$ 96,060</u>

Substance Abuse

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

(Dollar Amounts in Thousands)

Department / Appropriation	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Corrections and Rehabilitation:			
SABG — Drug and Alcohol Programs (EA).....	<u>\$ 1,965</u>	<u>\$ 1,965^a</u>	<u>\$ 1,965^a</u>
Drug and Alcohol Programs:			
SABG — Administration and Operation.....	\$ 7,640	\$ 7,858	\$ 8,193
SABG — Drug and Alcohol Services.....	<u>53,197</u>	<u>59,806</u>	<u>59,471</u>
Subtotal.....	<u>\$ 60,837</u>	<u>\$ 67,664</u>	<u>\$ 67,664</u>
Health:			
SABG — DDAP Support Services (EA).....	<u>\$ 446^a</u>	<u>\$ 364^a</u>	<u>\$ 181^a</u>
Human Services:			
SABG — Homeless Services (EA).....	<u>\$ 1,983</u>	<u>\$ 1,983^a</u>	<u>\$ 1,983^a</u>
TOTAL.....	<u>\$ 64,785</u>	<u>\$ 67,664</u>	<u>\$ 67,664</u>

^a Subgrant not added to total to avoid double counting.

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 program. 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, funding 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	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Executive Offices:			
<i>Inspector General - Welfare Fraud</i>			
TANFBG — Program Accountability.....	\$ 1,500	\$ 1,500	\$ 1,500
Education:			
TANFBG — Teenage Parenting Ed. (EA).....	\$ 11,094 ^a	\$ 11,094 ^a	\$ 11,094 ^a
Labor and Industry:			
TANFBG — Youth Employment and Training.....	\$ 15,000	\$ 25,000	\$ 25,000
Human Services:			
TANFBG — Administration.....	\$ 8,123	\$ 8,810	\$ 8,810
TANFBG — Information Systems.....	9,327	9,339	14,417
TANFBG — Statewide.....	1,072	1,072	1,072
TANFBG — County Assistance Offices.....	46,490	53,033	48,654
TANFBG — New Directions.....	121,893	109,522	109,522
TANFBG — Cash Grants.....	319,393	308,975	288,975
TANFBG — Alternatives to Abortion.....	1,000	1,000	1,000
TANFBG — Child Welfare.....	58,508	58,508	58,508
TANFBG — Child Care Assistance.....	27,557	29,357	36,139
Subtotal.....	\$ 593,363	\$ 579,616	\$ 567,097
TOTAL.....	\$ 609,863	\$ 606,116	\$ 593,597

^a Subgrant not added to total to avoid double counting.

Workforce Innovation and Opportunity

The Workforce Innovation and Opportunity Act of 2014 supersedes the Workforce Investment Act of 1998. WIOA retains and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. The act took effect on July 1, 2015, however current state and local plan provisions and current performance accountability systems continue to apply for the first full program year. WIOA continues the three main program components: adult, youth and dislocated workers. The adult program improves the quality of the workforce, reduces welfare dependency and enhances the productivity and competitiveness of the nation's economy by providing workforce investment activities that increase the employment, retention and earnings of participants, and increases occupational skill attainment by the participants. The youth program assists low-income youth between the ages of 14 and 21 to acquire the educational and occupational skills, training and support needed to achieve academic and employment success and transition to careers and productive adulthood. The dislocated worker program shares the same purpose of the adult program with emphasis on reemployment of these workers.

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

Department / Appropriation	(Dollar Amounts in Thousands)		
	2014-15 Actual Block Grant	2015-16 Available Block Grant	2016-17 Recommended Block Grant
Labor and Industry:			
Workforce Innovation and Opportunity Act —	\$ 11,000	\$ 11,000	\$ 11,000
Administration.....			
WIOA — Adult Employment & Training.....	50,000	50,000	50,000
WIOA — Youth Employment & Training.....	52,000	52,000	52,000
WIOA — Statewide Activities.....	18,000	18,000	18,000
WIOA — Dislocated Workers.....	109,000	109,000	109,000
WIOA — Veterans Employment and Training.....	900	0	0
TOTAL.....	<u>\$ 240,900</u>	<u>\$ 240,000</u>	<u>\$ 240,000</u>

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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)	
	2015-16 Estimate	2016-17 Estimate
Governor's Office.....	\$896	\$900
Executive Offices.....	347	350
Lt. Governor's Office.....	120	125
Aging.....	360	376
Agriculture.....	338	338
Banking and Securities.....	362	403
Civil Service Commission.....	69	71
Community and Economic Development.....	332	344
Conservation and Natural Resources.....	371	380
Corrections and Rehabilitation.....	198	269
Probation and Parole Board.....	320	320
Education.....	382	390
Emergency Management Agency.....	245	255
Environmental Protection.....	2,224	2,291
Fish and Boat Commission.....	230	230
Game Commission.....	483	515
General Services.....	132	138
Health.....	1,062	1,083
Historical and Museum Commission.....	125	146
Human Services.....	674	787
Insurance.....	3,531	3,545
Labor and Industry.....	637	632
Liquor Control Board.....	448	25
Military and Veterans Affairs.....	315	344
Milk Marketing Board.....	8	8
Public Utility Commission.....	290	295
Revenue.....	574	606
State.....	3,038	2,353
State Police.....	427	446
Transportation.....	4,643	4,715
TOTAL	\$23,181	\$22,680

---- *Lottery sales promotion* - \$44 million will be spent on advertising campaigns to promote lottery sales and to disseminate information on the various lottery programs including property tax and rent assistance for older Pennsylvanians during 2016-17. These expenditures are expected to generate approximately \$4.12 billion in lottery sales during 2016-17.

---- *Economic development* - A total of \$4.3 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$41.2 billion in 2016-17 business and leisure 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

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

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

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

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

Beginning and Ending Balances

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

Revenues

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

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

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

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

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

Program Expenditures

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

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

SUMMARY OF REVENUES AND EXPENDITURES FOR THE OPERATING PROGRAM

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

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
BEGINNING BALANCES							
General Fund	\$ 80,631	\$ 205,843	\$ 31,233	\$ 9,081	\$ 6,204	\$ 112,298	\$ 352,420
Adjustment to Beginning Balance.....	3,114	500	0	0	0	0	0
Adjusted Beginning Balance.....	<u>\$ 83,745</u>	<u>\$ 206,343</u>	<u>\$ 31,233</u>	<u>\$ 9,081</u>	<u>\$ 6,204</u>	<u>\$ 112,298</u>	<u>\$ 352,420</u>
Special Funds	\$ 306,969	\$ 145,139	\$ 75,230	\$ 41,353	\$ -41,740	\$ -127,601	\$ -205,913
Adjustment to Beginning Balance.....	0	0	75,000	0	0	0	0
Adjusted Beginning Balance.....	<u>\$ 306,969</u>	<u>\$ 145,139</u>	<u>\$ 150,230</u>	<u>\$ 41,353</u>	<u>\$ -41,740</u>	<u>\$ -127,601</u>	<u>\$ -205,913</u>
REVENUES							
General Fund:							
Corporation Taxes.....	\$ 5,116,898	\$ 5,149,600	\$ 5,353,700	\$ 5,475,300	\$ 5,564,500	\$ 5,670,900	\$ 5,730,800
Personal Income Tax.....	12,107,376	13,002,187	13,967,375	14,661,375	15,463,675	16,289,975	17,157,575
Sales and Use Tax.....	9,493,107	9,863,000	10,628,600	11,094,100	11,498,800	11,858,300	12,118,100
All Other Revenues/Taxes.....	3,875,104	3,523,700	4,084,000	4,204,100	4,238,600	4,251,800	4,248,100
Less Refunds.....	-1,340,000	-1,355,000	-1,325,000	-1,339,100	-1,340,000	-1,350,000	-1,360,000
Total General Fund.....	<u>\$ 29,252,485</u>	<u>\$ 30,183,487</u>	<u>\$ 32,708,675</u>	<u>\$ 34,095,775</u>	<u>\$ 35,425,575</u>	<u>\$ 36,720,975</u>	<u>\$ 37,894,575</u>
Special Funds.....	4,334,730	4,547,942	4,546,150	4,683,150	4,713,050	4,760,150	4,803,050
Federal Funds.....	24,810,668	26,566,102	27,796,397	28,310,317	29,048,614	29,777,034	30,552,521
Other Funds.....	13,378,147	14,667,193	14,989,094	14,979,676	15,128,970	15,289,684	15,412,578
Total Revenues and Balances.....	<u>\$ 72,166,744</u>	<u>\$ 76,316,206</u>	<u>\$ 80,146,779</u>	<u>\$ 82,119,352</u>	<u>\$ 84,280,673</u>	<u>\$ 86,532,540</u>	<u>\$ 88,809,231</u>
PROGRAM EXPENDITURES							
Direction and Supportive							
Services.....	\$ 1,727,181	\$ 1,746,823	\$ 1,811,224	\$ 1,837,422	\$ 1,869,239	\$ 1,870,775	\$ 1,867,644
Protection of Persons and							
Property.....	8,570,255	9,264,419	9,634,652	9,847,170	10,061,302	10,307,030	10,550,264
Education.....	15,314,072	16,248,000	17,150,054	17,809,511	18,385,655	18,859,528	19,248,524
Health and Human Services.....	35,232,063	37,101,532	39,507,467	40,440,369	41,631,814	42,830,659	44,095,250
Economic Development.....	2,201,486	2,217,106	2,317,303	2,324,415	2,325,747	2,327,103	2,328,515
Transportation.....	7,007,133	7,933,480	7,717,122	7,794,211	7,835,878	7,870,107	7,902,665
Recreation and Cultural Enrichment.....	629,519	660,775	671,900	683,129	690,457	696,475	701,176
Debt Service.....	1,208,466	1,247,408	1,358,596	1,416,592	1,458,451	1,506,883	1,569,510
Less General Fund Lapses.....	-90,974	-200,000	0	0	0	0	0
Less Special Fund Lapses.....	-52,037	30,200	0	0	0	0	0
Total Operating Expenditures.....	<u>\$ 71,747,164</u>	<u>\$ 76,249,743</u>	<u>\$ 80,168,318</u>	<u>\$ 82,152,819</u>	<u>\$ 84,258,543</u>	<u>\$ 86,268,560</u>	<u>\$ 88,263,548</u>
Transfer to Budget Stabilization Reserve Fund.....	<u>-68,614</u>	<u>0</u>	<u>-3,027</u>	<u>-2,069</u>	<u>-37,433</u>	<u>-117,473</u>	<u>-205,163</u>
ENDING BALANCES							
General Fund.....	<u>\$ 205,827</u>	<u>\$ 31,233</u>	<u>\$ 9,081</u>	<u>\$ 6,204</u>	<u>\$ 112,298</u>	<u>\$ 352,420</u>	<u>\$ 615,490</u>
Special Funds	<u>\$ 145,139</u>	<u>\$ 75,230</u>	<u>\$ 41,353</u>	<u>\$ -41,740</u>	<u>\$ -127,601</u>	<u>\$ -205,913</u>	<u>\$ -274,970</u>

Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2014-15 actual expenditures, 2015-16 amounts available, 2016-17 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2016-17 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Direction and Supportive Services							
General Fund.....	\$ 739,722	\$ 769,076	\$ 861,345	\$ 865,704	\$ 883,261	\$ 872,194	\$ 881,332
Special Funds.....	580,499	596,005	556,006	572,290	581,205	587,934	594,654
Federal Funds.....	19,484	25,917	15,353	15,768	16,194	16,634	17,088
Other Funds.....	387,476	355,825	378,520	383,660	388,579	394,013	374,570
Total Operating.....	\$ 1,727,181	\$ 1,746,823	\$ 1,811,224	\$ 1,837,422	\$ 1,869,239	\$ 1,870,775	\$ 1,867,644
Protection of Persons and Property							
General Fund.....	\$ 3,304,933	\$ 3,496,335	\$ 3,765,005	\$ 3,862,759	\$ 3,977,806	\$ 4,103,874	\$ 4,231,913
Special Funds.....	843,826	935,181	1,004,644	1,042,766	1,069,935	1,105,385	1,131,193
Federal Funds.....	715,990	812,881	795,351	798,229	790,534	784,428	779,326
Other Funds.....	3,705,506	4,020,022	4,069,652	4,143,416	4,223,027	4,313,343	4,407,832
Total Operating.....	\$ 8,570,255	\$ 9,264,419	\$ 9,634,652	\$ 9,847,170	\$ 10,061,302	\$ 10,307,030	\$ 10,550,264
Education							
General Fund.....	\$ 11,912,124	\$ 12,615,329	\$ 13,225,002	\$ 13,924,854	\$ 14,500,270	\$ 14,977,698	\$ 15,366,358
Special Funds.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Federal Funds.....	2,346,311	2,381,148	2,383,111	2,381,062	2,381,069	2,377,077	2,377,084
Other Funds.....	1,054,537	1,250,423	1,540,841	1,502,495	1,503,216	1,503,653	1,503,982
Total Operating.....	\$ 15,314,072	\$ 16,248,000	\$ 17,150,054	\$ 17,809,511	\$ 18,385,655	\$ 18,859,528	\$ 19,248,524
Health and Human Services							
General Fund.....	\$ 11,724,032	\$ 12,047,791	\$ 13,062,145	\$ 13,575,305	\$ 14,007,002	\$ 14,458,927	\$ 14,932,373
Special Funds.....	1,242,129	1,119,312	1,160,020	1,150,571	1,157,486	1,159,973	1,162,140
Federal Funds.....	19,131,947	20,584,117	21,824,810	22,337,458	23,082,989	23,821,038	24,601,135
Other Funds.....	3,133,955	3,350,312	3,460,492	3,377,035	3,384,337	3,390,721	3,399,602
Total Operating.....	\$ 35,232,063	\$ 37,101,532	\$ 39,507,467	\$ 40,440,369	\$ 41,631,814	\$ 42,830,659	\$ 44,095,250
Economic Development							
General Fund.....	\$ 262,958	\$ 337,801	\$ 363,345	\$ 364,368	\$ 365,435	\$ 366,523	\$ 367,665
Special Funds.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Federal Funds.....	718,898	759,929	779,642	779,642	779,642	779,642	779,642
Other Funds.....	1,218,557	1,118,303	1,173,243	1,179,332	1,179,597	1,179,865	1,180,135
Total Operating.....	\$ 2,201,486	\$ 2,217,106	\$ 2,317,303	\$ 2,324,415	\$ 2,325,747	\$ 2,327,103	\$ 2,328,515

Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 2014-15 actual expenditures, 2015-16 amounts available, 2016-17 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 2016-17 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Transportation							
General Fund.....	\$ 4,605	\$ 4,612	\$ 4,608	\$ 4,609	\$ 4,606	\$ 4,607	\$ 4,608
Special Funds.....	1,855,984	1,946,739	1,882,002	1,935,380	1,925,010	1,919,920	1,918,910
Federal Funds.....	1,819,231	1,941,246	1,941,246	1,941,246	1,941,246	1,941,246	1,941,246
Other Funds.....	3,327,313	4,040,883	3,889,266	3,912,976	3,965,016	4,004,334	4,037,901
Total Operating.....	\$ 7,007,133	\$ 7,933,480	\$ 7,717,122	\$ 7,794,211	\$ 7,835,878	\$ 7,870,107	\$ 7,902,665
Recreation and Cultural Enrichment							
General Fund.....	\$ 105,863	\$ 154,088	\$ 218,900	\$ 220,318	\$ 221,750	\$ 223,195	\$ 224,656
Special Funds.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Federal Funds.....	58,807	60,864	56,884	56,912	56,940	56,969	57,000
Other Funds.....	457,849	438,823	389,116	398,899	404,767	409,311	412,520
Total Operating.....	\$ 629,519	\$ 660,775	\$ 671,900	\$ 683,129	\$ 690,457	\$ 696,475	\$ 701,176
Debt Service							
General Fund.....	\$ 1,098,526	\$ 1,133,565	\$ 1,227,450	\$ 1,278,666	\$ 1,321,918	\$ 1,356,362	\$ 1,417,437
Special Funds.....	16,986	21,241	43,182	56,063	56,102	56,077	56,037
Federal Funds.....	0	0	0	0	0	0	0
Other Funds.....	92,954	92,602	87,964	81,863	80,431	94,444	96,036
Total Operating.....	\$ 1,208,466	\$ 1,247,408	\$ 1,358,596	\$ 1,416,592	\$ 1,458,451	\$ 1,506,883	\$ 1,569,510
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 1,028,080	\$ 1,149,961	\$ 1,278,310	\$ 1,416,554	\$ 1,369,918
Program Total.....	\$ 1,208,466	\$ 1,247,408	\$ 2,386,676	\$ 2,566,553	\$ 2,736,761	\$ 2,923,437	\$ 2,939,428
COMMONWEALTH TOTALS							
General Fund.....	\$ 29,152,763	\$ 30,558,597	\$ 32,727,800	\$ 34,096,583	\$ 35,282,048	\$ 36,363,380	\$ 37,426,342
Special Funds.....	4,548,597	4,627,651	4,655,027	4,766,243	4,798,911	4,838,462	4,872,107
Federal Funds.....	24,810,668	26,566,102	27,796,397	28,310,317	29,048,614	29,777,034	30,552,521
Other Funds.....	13,378,147	14,667,193	14,989,094	14,979,676	15,128,970	15,289,684	15,412,578
Total Operating.....	\$ 71,890,175	\$ 76,419,543	\$ 80,168,318	\$ 82,152,819	\$ 84,258,543	\$ 86,268,560	\$ 88,263,548
Capital Bond Authorizations...	\$ 0	\$ 0	\$ 1,028,080	\$ 1,149,961	\$ 1,278,310	\$ 1,416,554	\$ 1,369,918
Program Total.....	\$ 71,890,175	\$ 76,419,543	\$ 81,196,398	\$ 83,302,780	\$ 85,536,853	\$ 87,685,114	\$ 89,633,466

Program Budget Summary

Direction and Supportive Services

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

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

The agencies in this program include the Governor's Office, Executive Offices, Lieutenant Governor, Auditor General, Treasury, Civil Service Commission, departments of General Services and Revenue, Ethics Commission, Health Care Cost Containment Council, 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)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Administrative and Support Services..... \$	153,784	\$ 169,389	\$ 176,078	\$ 177,934	\$ 179,611	\$ 181,407	\$ 183,318
Executive Direction.....	109,001	124,683	117,070	118,338	119,419	120,613	121,917
Personnel Selection.....	1	1	1	1	1	1	1
Ethics Commission.....	2,090	2,371	2,433	2,457	2,482	2,507	2,532
eHealth Partnership Authority.....	1,850	1,500	0	0	0	0	0
Legal Services.....	3,230	3,222	3,700	3,737	3,774	3,812	3,850
Health Care Reporting.....	2,710	2,710	2,710	2,737	2,764	2,792	2,820
Government Support Agencies.....	34,902	34,902	50,164	50,664	51,171	51,682	52,198
Fiscal Management..... \$	804,168	\$ 828,270	\$ 805,774	\$ 820,369	\$ 840,929	\$ 830,518	\$ 840,147
Revenue Collection and Administration.....	697,046	711,686	686,166	706,776	726,368	715,080	723,824
Disbursement.....	62,258	70,268	71,166	67,697	68,206	68,619	69,036
Auditing.....	44,864	46,316	48,442	45,896	46,355	46,819	47,287
Physical Facilities and Commodities Management..... \$	131,327	\$ 136,637	\$ 130,051	\$ 131,197	\$ 132,356	\$ 133,527	\$ 134,709
Facility, Property and Commodity Management.....	131,327	136,637	130,051	131,197	132,356	133,527	134,709
Legislative Processes..... \$	229,906	\$ 229,760	\$ 304,416	\$ 307,462	\$ 310,538	\$ 313,644	\$ 316,780
Legislature.....	229,906	229,760	304,416	307,462	310,538	313,644	316,780
Interstate Relations..... \$	1,036	\$ 1,025	\$ 1,032	\$ 1,032	\$ 1,032	\$ 1,032	\$ 1,032
Interstate Relations.....	1,036	1,025	1,032	1,032	1,032	1,032	1,032
PROGRAM TOTAL..... \$	1,320,221	\$ 1,365,081	\$ 1,417,351	\$ 1,437,994	\$ 1,464,466	\$ 1,460,128	\$ 1,475,986

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 Government that Works 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 and Rehabilitation, Public Utility Commission, Liquor Control Board, Pennsylvania Emergency Management Agency, 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)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
General Administration and Support..... \$	44,978 \$	43,111 \$	48,028 \$	48,254 \$	48,483 \$	48,715 \$	48,949
Criminal and Juvenile Justice Planning.....	30,291	27,356	29,490	29,531	29,573	29,615	29,658
Environmental Support Services.....	14,687	15,755	18,538	18,723	18,910	19,100	19,291
Public Protection and Law Enforcement..... \$	1,126,257 \$	1,245,556 \$	1,338,633 \$	1,390,268 \$	1,428,709 \$	1,475,849 \$	1,511,152
State Police.....	897,180	1,001,031	1,082,481	1,132,816	1,174,470	1,217,780	1,252,281
Attorney General.....	92,289	95,677	96,675	97,628	98,590	99,561	100,543
Driver and Vehicle Services.....	136,788	148,848	159,477	159,824	155,649	158,508	158,328
Control and Reduction of Crime..... \$	2,289,576 \$	2,418,446 \$	2,610,774 \$	2,694,337 \$	2,788,769 \$	2,897,021 \$	3,009,568
Institutionalization of Offenders.....	2,133,548	2,251,201	2,440,989	2,518,196	2,606,023	2,707,409	2,812,821
Reintegration of Adult Offenders.....	156,028	167,245	169,785	176,141	182,746	189,612	196,747
Juvenile Crime Prevention..... \$	21,745 \$	21,931 \$	22,027 \$	22,058 \$	22,089 \$	22,120 \$	22,152
Reintegration of Juvenile Delinquents.....	21,745	21,931	22,027	22,058	22,089	22,120	22,152
Adjudication of Defendants..... \$	317,432 \$	342,432 \$	364,633 \$	367,761 \$	370,917 \$	374,108 \$	377,326
State Judicial System.....	317,432	342,432	364,633	367,761	370,917	374,108	377,326
Public Order and Community Safety..... \$	35,768 \$	34,914 \$	35,700 \$	36,053 \$	36,409 \$	36,769 \$	37,132
Emergency Management.....	13,958	10,957	11,161	11,273	11,385	11,499	11,614
State Military Readiness.....	21,810	23,957	24,539	24,780	25,024	25,270	25,518
Protection From Natural Hazards and Disasters..... \$	126,801 \$	133,069 \$	137,710 \$	139,043 \$	140,390 \$	141,749 \$	143,123
Environmental Protection and Management.....	126,801	133,069	137,710	139,043	140,390	141,749	143,123
Consumer Protection..... \$	150,852 \$	154,711 \$	171,921 \$	167,378 \$	171,200 \$	171,747 \$	172,111
Consumer Protection.....	11,149	11,972	12,153	10,154	10,140	10,327	10,326
Insurance Industry Regulation.....	0	0	7,000	7,000	7,000	7,000	7,000

Program Budget Summary

Protection of Persons and Property (continued)

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Consumer Protection (Continued)							
Protection and Development of Agricultural Industries.....	139,703	142,739	152,768	150,224	154,060	154,420	154,785
Community and Occupational Safety and Stability..... \$	26,094 \$	27,696 \$	30,075 \$	30,124 \$	30,424 \$	30,726 \$	31,033
Community and Occupational Safety and Stability.....	23,897	25,288	27,501	27,526	27,802	28,079	28,361
Fire Prevention and Safety.....	2,197	2,408	2,574	2,598	2,622	2,647	2,672
Prevention & Elimination of Discriminatory Practices. \$	9,256 \$	9,650 \$	10,148 \$	10,249 \$	10,351 \$	10,455 \$	10,560
Prevention & Elimination of Discriminatory Practices.....	9,256	9,650	10,148	10,249	10,351	10,455	10,560
PROGRAM TOTAL.....	\$ 4,148,759	\$ 4,431,516	\$ 4,769,649	\$ 4,905,525	\$ 5,047,741	\$ 5,209,259	\$ 5,363,106

Program Budget Summary

Education

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Educational Support Services \$	27,534	\$ 28,088	\$ 30,496	\$ 30,761	\$ 31,029	\$ 31,299	\$ 31,572
Education Support Services.....	27,534	28,088	30,496	30,761	31,029	31,299	31,572
Basic Education \$	10,278,829	\$ 10,959,831	\$ 11,504,877	\$ 12,090,342	\$ 12,579,274	\$ 13,056,432	\$ 13,444,819
PreK-12 Education.....	10,260,943	10,941,051	11,487,082	12,071,658	12,559,656	13,035,833	13,423,190
Public Utility Realty Payments.....	17,886	18,780	17,795	18,684	19,618	20,599	21,629
Higher Education \$	1,606,861	\$ 1,628,510	\$ 1,690,729	\$ 1,804,851	\$ 1,891,067	\$ 1,891,067	\$ 1,891,067
Higher Education.....	1,215,386	1,274,947	1,337,066	1,401,188	1,487,404	1,487,404	1,487,404
Financial Assistance to Students.....	364,840	326,928	327,028	377,028	377,028	377,028	377,028
Financial Assistance to Institutions.....	26,635	26,635	26,635	26,635	26,635	26,635	26,635
PROGRAM TOTAL \$	11,913,224	\$ 12,616,429	\$ 13,226,102	\$ 13,925,954	\$ 14,501,370	\$ 14,978,798	\$ 15,367,458

Health and Human Services

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Human Services Support..... \$	151,354	168,372	181,672	177,189	178,961	180,750	182,557
Human Services Support.....	151,354	168,372	181,672	177,189	178,961	180,750	182,557
Social Development of Individuals..... \$	1,738,787	1,547,479	1,765,178	1,774,024	1,781,630	1,789,804	1,798,751
Human Services.....	1,204,942	1,080,172	1,282,606	1,287,927	1,290,705	1,293,594	1,296,599
Child Development.....	533,845	467,307	482,572	486,097	490,925	496,210	502,152
Support of Older Pennsylvanians..... \$	765,571	824,663	866,971	857,522	864,437	866,924	869,091
Community Services for Older Pennsylvanians.....	332,321	349,463	357,071	359,122	362,637	366,324	370,191
Homeowners and Renters Assistance.....	278,250	285,200	289,900	268,400	266,800	265,600	263,900
Pharmaceutical Assistance.....	155,000	190,000	220,000	230,000	235,000	235,000	235,000
Income Maintenance..... \$	583,532	591,525	620,038	644,714	649,134	653,599	658,108
Income Maintenance.....	565,371	574,049	599,474	623,850	628,270	632,735	637,244
Workers Compensation and Assistance.....	1,477	1,316	1,089	1,089	1,089	1,089	1,089
Military Compensation and Assistance.....	16,684	16,160	19,475	19,775	19,775	19,775	19,775
Physical Health Treatment..... \$	7,422,857	7,532,186	8,124,180	8,476,251	8,806,236	9,152,538	9,516,122
Medical Assistance.....	5,153,454	5,045,948	5,354,301	5,472,777	5,676,978	5,889,121	6,109,521
Long-Term Living.....	1,925,789	2,123,452	2,385,817	2,614,326	2,734,849	2,863,562	3,001,112
Health Treatment Services.....	13,659	12,150	12,227	12,227	12,227	12,227	12,227
Health Support Services.....	44,365	48,931	51,843	52,362	52,885	53,415	53,949
Health Research.....	12,525	6,269	7,395	7,469	7,544	7,619	7,695
Emergency Food Assistance.....	19,517	20,517	22,517	22,517	22,517	22,517	22,517
Prevention and Treatment of Drug and Alcohol Abuse.....	41,860	48,101	47,614	47,628	47,642	47,656	47,670
Preventive Health.....	129,255	134,894	137,740	138,030	138,322	138,618	138,916
Veterans Homes.....	82,433	91,924	104,726	108,915	113,272	117,803	122,515
Mental Health..... \$	774,701	837,877	913,128	965,456	999,157	1,034,206	1,070,658
Mental Health.....	774,701	837,877	913,128	965,456	999,157	1,034,206	1,070,658
Intellectual Disabilities..... \$	1,529,359	1,665,001	1,750,998	1,830,720	1,884,933	1,941,079	1,999,226
Intellectual Disabilities.....	1,529,359	1,665,001	1,750,998	1,830,720	1,884,933	1,941,079	1,999,226
PROGRAM TOTAL..... \$	12,966,161	13,167,103	14,222,165	14,725,876	15,164,488	15,618,900	16,094,513

Economic Development

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

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Economic Development and Job Creation..... \$	157,351	203,182	219,096	219,362	219,639	219,903	220,183
PA Job Creation, Business Growth and Attraction.....	157,351	203,182	219,096	219,362	219,639	219,903	220,183
Global Economic Development..... \$	5,824	6,825	6,942	7,011	7,082	7,152	7,224
International Business Development.....	5,824	6,825	6,942	7,011	7,082	7,152	7,224
Innovative Economic Development..... \$	20,100	18,100	18,500	18,500	18,500	18,500	18,500
PA Innovation Economy.....	20,100	18,100	18,500	18,500	18,500	18,500	18,500
Workforce Investment..... \$	45,994	54,800	62,600	62,600	62,600	62,600	62,600
Workforce Development.....	2,413	5,813	11,613	11,613	11,613	11,613	11,613
Vocational Rehabilitation.....	43,581	48,987	50,987	50,987	50,987	50,987	50,987
Commonwealth Economic Assets..... \$	7,814	4,264	4,291	4,334	4,377	4,421	4,465
PA Assets.....	7,814	4,264	4,291	4,334	4,377	4,421	4,465
Community Development..... \$	26,948	51,703	52,989	53,634	54,310	55,020	55,766
PA Core Communities.....	14,000	38,107	40,107	40,107	40,107	40,107	40,107
Public Utility Realty Payments.....	12,948	13,596	12,882	13,527	14,203	14,913	15,659
PROGRAM TOTAL.....	264,031	338,874	364,418	365,441	366,508	367,596	368,738

Transportation

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

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

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Transportation Systems and Services.....	\$ 1,860,589	\$ 1,951,351	\$ 1,886,610	\$ 1,939,989	\$ 1,929,616	\$ 1,924,527	\$ 1,923,518
Transportation Support Services.....	56,469	59,624	61,086	61,672	62,264	62,862	63,466
Highways and Bridges.....	1,364,906	1,401,730	1,313,799	1,359,481	1,334,486	1,330,825	1,327,136
Local Highway and Bridge Assistance.....	257,191	303,503	328,235	335,345	349,378	347,351	349,426
Multimodal Transportation.....	182,023	186,494	183,490	183,491	183,488	183,489	183,490
PROGRAM TOTAL.....	\$ 1,860,589	\$ 1,951,351	\$ 1,886,610	\$ 1,939,989	\$ 1,929,616	\$ 1,924,527	\$ 1,923,518

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)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Recreation..... \$	21,329	\$ 66,947	\$ 128,263	\$ 129,445	\$ 130,637	\$ 131,841	\$ 133,059
Parks and Forests Management.....	21,329	66,947	128,263	129,445	130,637	131,841	133,059
Cultural Enrichment..... \$	91,534	\$ 94,141	\$ 97,637	\$ 97,873	\$ 98,113	\$ 98,354	\$ 98,597
State Historical Preservation.....	18,944	19,624	20,624	20,830	21,039	21,249	21,461
Local Museum Assistance.....	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Development of Artists and Audiences.....	9,488	10,482	11,493	11,502	11,511	11,520	11,529
State Library Services.....	61,102	62,035	63,520	63,541	63,563	63,585	63,607
PROGRAM TOTAL..... \$	112,863	\$ 161,088	\$ 225,900	\$ 227,318	\$ 228,750	\$ 230,195	\$ 231,656

Program Budget Summary

Debt Service

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

The Treasury Department participates in this program.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Debt Service.....	\$ 1,115,512	\$ 1,154,806	\$ 1,270,632	\$ 1,334,729	\$ 1,378,020	\$ 1,412,439	\$ 1,473,474
Debt Service.....	1,115,512	1,154,806	1,270,632	1,334,729	1,378,020	1,412,439	1,473,474
PROGRAM TOTAL.....	\$ 1,115,512	\$ 1,154,806	\$ 1,270,632	\$ 1,334,729	\$ 1,378,020	\$ 1,412,439	\$ 1,473,474



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 2014-15 actual year, 2015-16 available year and 2016-17 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Beginning Balance.....	\$ 80,631	\$ 205,843	\$ 31,233
Adjustment to Beginning Balance.....	3,114	500	0
Adjusted Beginning Balance.....	\$ 83,745	\$ 206,343	\$ 31,233
Revenue:			
Revenue Receipts.....	\$ 30,592,501	\$ 30,871,700	\$ 31,772,400
Proposed Revenue Changes.....	0	892,600	2,721,900
Enhanced Liquor Control Board Proceeds.....	0	0	100,000
One-time Revenue.....	0	4,500	0
Slots License Fees.....	0	50,000	0
Transfer to School Employees' Retirement Restricted Account.....	0	-280,313	-560,625
Less Refunds.....	-1,340,000	-1,355,000	-1,325,000
Total Revenue.....	\$ 29,252,501	\$ 30,183,487	\$ 32,708,675
Prior Year Lapses.....	90,974	200,000	0
Funds Available.....	\$ 29,427,220	\$ 30,589,830	\$ 32,739,908
Expenditures:			
Appropriations.....	\$ 29,152,763	\$ 23,393,674	\$ 32,727,800
Supplemental Appropriations.....	0	7,164,923	0
Less Current Year Lapses.....	0	0	0
Total State Expenditures.....	\$ 29,152,763	\$ 30,558,597	\$ 32,727,800
Preliminary Balance.....	\$ 274,457	\$ 31,233	\$ 12,108
Less Transfer to Budget Stabilization Reserve Fund.....	-68,614 ^a	0 ^b	-3,027 ^c
Ending Balance.....	<u>\$ 205,843</u>	<u>\$ 31,233</u>	<u>\$ 9,081</u>

^a Under current law, the 25% transfer to the Budget Stabilization Reserve Fund for 2014-15 will be made by March 31, 2016.

^b This budget proposes to suspend the 25% transfer to the Budget Stabilization Reserve Fund for 2015-16.

^c This budget proposes the reinstatement of the 25% transfer to the Budget Stabilization Reserve Fund for 2016-17.

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

PROPOSED TAX AND REVENUE MODIFICATIONS

	2016-17 Estimated
Tax Revenue:	
Severance Tax	\$ 217,800
Effective July 1, 2016, a severance tax of 6.5% is proposed on natural gas extraction.	
Personal Income Tax (PIT)	1,361,500
Effective January 1, 2016, the PIT rate of 3.07% is proposed to be increased to 3.4%.	
Personal Income Tax (PIT) Expand Tax Forgiveness	-83,400
Effective January 1, 2016, a claimant's eligibility income limit to qualify for 100% tax forgiveness under the special tax provisions for poverty is proposed to be increased from \$6,500 to \$8,700. A qualifying family of four with two claimants and two dependents will owe no tax on taxable income up to \$36,400.	
Personal Income Tax (PIT)	16,300
Effective January 1, 2016, Pennsylvania lottery winnings are proposed to be taxed at a rate of 3.4%.	
Sales and Use Tax (SUT)	414,600
Effective April 1, 2016, expand the SUT to cover basic cable television, movie theater tickets and digital downloads. Effective April 1, 2016, the vendor discount is limited to \$25 per month.	
Corporate Net Income Tax (CNIT)	Nominal
Effective tax year 2016, the filing deadline for calendar year corporate filers is extended from April 15 to May 15.	
Bank Shares Tax	39,200
The Bank Shares Tax rate is proposed to be increased from 0.89% to 0.99% effective beginning tax year 2016, and the tax base is proposed to be clarified, to achieve the revenue neutrality intended with the enactment of Act 52 of 2013.	
Insurance Premiums Tax (IPT)	100,900
Effective January 1, 2016, add a surcharge of 0.5% to fire, property, and casualty insurance.	
Cigarette Tax	468,100
Effective April 1, 2016, an increase in the Cigarette Tax rate equivalent to \$0.05 per cigarette (\$1.00 per pack of 20 cigarettes) is proposed.	
Other Tobacco Products	136,000
Effective May 1, 2016, a 40% tax on the wholesale price of other tobacco products is proposed, including smokeless tobacco, large cigars, loose tobacco (effective July 1, 2016), and e-cigarettes.	
Tax on Promotional Play	50,900
Effective January 1, 2016, a new tax of 8% is imposed on promotional plays related to slot machines and table games.	
TOTAL PROPOSED TAX AND REVENUE MODIFICATIONS*	<u>\$ 2,721,900</u>

*Tax revenue estimates are net of refunds of \$113.3 million.

This budget proposes the following transfers in 2015-16:

Transfer to School Employees' Retirement Restricted Account	\$ -280,313
A transfer of funds from the Personal Income Tax to a restricted account for the commonwealth's employer contribution to PSERS is proposed.	
Transfer from the Dormitory Sprinkler System Account	\$ 4,500
A return to the General Fund of funds not needed for sprinkler project debt service is proposed.	
Transfer of Slots License Fee	\$ 50,000
The licensing fee from a new Category 2 casino is proposed to be deposited to the General Fund.	

This budget proposes the following transfers in 2016-17:

Transfer to School Employees' Retirement Restricted Account	\$ -560,625
A transfer of funds from the Personal Income Tax to a restricted account for the commonwealth's employer contribution to PSERS is proposed.	

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2015-16 Available
STATE SUPPLEMENTALS	
Governor's Office	
Governor's Office.....	\$ 19
Executive Offices	
Office of Administration.....	\$ 464
Commonwealth Technology Services.....	6,791
Inspector General - Welfare Fraud.....	534
Office of the Budget.....	1,000
Human Relations Commission.....	861
Juvenile Court Judges Commission.....	186
Public Employee Retirement Commission.....	605
Interest Reimbursement.....	10,700
Executive Offices Total.....	\$ 21,141
Treasury	
Cash Management Loan Interest (EA).....	\$ 6,000
Agriculture	
General Government Operations.....	\$ 794
Transfer to Agricultural College Land Scrip Fund.....	48,549
University of Pennsylvania - Veterinary Activities	28,000
University of Pennsylvania - Center for Infectious Disease	261
Agriculture Total.....	\$ 77,604
Community and Economic Development	
General Government Operations.....	\$ 550
Office of International Business Development.....	996
Marketing to Attract Business.....	944
Base Realignment and Closure.....	784
Regional Events Security and Support.....	5,000
Pennsylvania First.....	14,000
Keystone Communities.....	8,650
Partnerships for Regional Economic Performance	-2,000
Industrial Resource Centers	11,000
Economic Growth and Development Assistance.....	6,357
Infrastructure and Facilities Improvement Grants.....	11,000
Public Television Technology.....	3,600
Community and Economic Development Total.....	\$ 60,881
Corrections and Rehabilitation	
General Government Operations.....	\$ 1,500
State Correctional Institutions.....	956,026
Corrections and Rehabilitation Total.....	\$ 957,526
Education	
General Government Operations.....	\$ 1,791
State Library.....	95
Basic Education Funding.....	3,324,430
Pre-K Counts.....	25,000
Head Start Supplemental Assistance.....	5,000
Teacher Professional Development.....	1,001
Career and Technical Education.....	8,003
Authority Rentals and Sinking Fund Requirements.....	281,850
Special Education.....	20,000
School Employees' Retirement.....	-286,313
Services to Nonpublic Schools	3,721
Textbooks, Materials and Equipment for Nonpublic Schools	1,132
Community Colleges.....	10,783
Regional Community Colleges Services.....	2,400

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2015-16 Available
The Pennsylvania State University	
General Support.....	224,816
Pennsylvania College of Technology.....	19,584
University of Pittsburgh	
General Support.....	140,693
Rural Education Outreach.....	2,500
Temple University	
General Support.....	146,913
Lincoln University	
General Support.....	14,084
State System of Higher Education	
State Universities.....	20,638
Thaddeus Stevens College of Technology	
Thaddeus Stevens College of Technology.....	617
Education Total.....	\$3,968,738
Higher Education Assistance Agency	
Bond-Hill Scholarships.....	\$ 716
Cheyney Keystone Academy.....	1,025
Higher Education Assistance Agency Total.....	\$ 1,741
Emergency Management Agency	
General Government Operations.....	\$ 156
State Fire Commissioner.....	98
Emergency Management Agency Total.....	\$ 254
Environmental Protection	
Environmental Program Management.....	\$ 1,245
Chesapeake Bay Agricultural Source Abatement.....	31
Environmental Protection Operations.....	2,133
Susquehanna River Basin Commission.....	100
Delaware River Basin Commission.....	316
Environmental Protection Total.....	\$ 3,825
General Services	
General Government Operations.....	\$ 929
Capitol Police Operations.....	205
General Services Total.....	\$ 1,134
Health	
General Government Operations.....	\$ 843
Health Innovation.....	2,069
State Laboratory.....	126
Sexually Transmitted Disease Screening and Treatment.....	57
Health Total.....	\$ 3,095
Historical and Museum Commission	
General Government Operations.....	\$ 478
Human Services	
General Government Operations.....	\$ 3,674
Information Systems	1,165
County Administration - Statewide.....	5,611
County Assistance Offices.....	18,581
Mental Health Services.....	22,606
Intellectual Disabilities - State Centers.....	1,948
Medical Assistance - Fee for Service.....	-35,117
Medical Assistance - Capitation.....	1,947,601
Home and Community-Based Services.....	28,996
Medical Assistance - Physician Practice Plans.....	2,500

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2015-16 Available
Behavioral Health Services.....	4,097
Intellectual Disabilities - Community Base Program.....	5,332
Intellectual Disabilities - Community Waiver Program.....	9,310
Human Services Development Fund.....	499
Homeless Assistance.....	1,685
Services to Persons with Disabilities.....	20,320
Attendant Care.....	11,719
Medical Assistance - Workers with Disabilities.....	-10,186
Human Services Total.....	\$2,040,341
Labor and Industry	
General Government Operations.....	\$ 368
Occupational and Industrial Safety.....	636
Centers for Independent Living.....	406
Industry Partnerships.....	4,000
Labor and Industry Total.....	\$ 5,410
Military and Veterans Affairs	
General Government Operations.....	\$ 1,621
Veterans Homes.....	1,190
Military and Veterans Affairs Total.....	\$ 2,811
Revenue	
General Government Operations.....	\$ 9,165
State	
General Government Operations.....	\$ 79
Voter Registration and Education.....	69
State Total.....	\$ 148
Transportation	
PennPORTS-Phila Regional Port Authority Debt Service.....	\$ 4,612
TOTAL STATE SUPPLEMENTALS.....	\$7,164,923
FEDERAL SUPPLEMENTALS	
Aging	
Programs for the Aging - Title III - Administration.....	\$ 5,073
Programs for the Aging - Title V - Administration.....	381
Medical Assistance - Administration.....	7,098
Programs for the Aging - Title VII - Administration.....	344
Aging Total.....	\$ 12,896
Human Services	
PA Certified Community Behavioral Health Clinics.....	\$ 10
Medical Assistance - Long-Term Care.....	9,152
Medical Assistance - Home & Community-Based Services.....	20,225
Medical Assistance - Physician Practice Plans.....	2,710
Medical Assistance - Autism Intervention Services.....	325
Title IV-B - Family Centers.....	300
Medical Assistance - Services to Persons with Disabilities.....	21,593
Medical Assistance - Attendant Care.....	11,557
Human Services Total.....	\$ 65,872
TOTAL FEDERAL SUPPLEMENTALS.....	\$ 78,768
TOTAL SUPPLEMENTALS.....	\$7,243,691

State Funds by Department

The following is a summary, by department, of 2014-15 actual expenditures, the 2015-16 amounts available and the 2016-17 amounts budgeted as presented in the General Fund Budget.

(Dollar Amounts in Thousands)			
	2014-15 Actual	2015-16 Available	2016-17 Budget
Governor's Office.....	\$ 6,508	\$ 6,503	\$ 6,887
Executive Offices.....	173,786	187,797	184,142
Lieutenant Governor's Office.....	1,383	1,623	1,655
Attorney General.....	92,289	95,677	96,675
Auditor General.....	44,864	46,316	48,442
Treasury.....	1,144,487	1,181,955	1,277,645
Agriculture.....	126,892	130,528	142,557
Civil Service Commission.....	1	1	1
Community and Economic Development	204,016	269,405	287,863
Conservation and Natural Resources.....	14,329	59,947	121,263
Corrections and Rehabilitation*.....	2,133,548	2,251,201	2,610,774
Drug and Alcohol Programs.....	41,860	48,101	47,614
Education**.....	11,563,865	12,305,021	12,917,064
eHealth Partnership Authority.....	1,850	1,500	-
Emergency Management Agency.....	16,155	13,365	13,735
Environmental Protection***.....	141,488	148,824	156,248
Ethics Commission.....	2,090	2,371	2,433
General Services.....	121,028	126,317	119,745
Health.....	199,804	202,244	209,205
Health Care Cost Containment Council.....	2,710	2,710	2,710
Higher Education Assistance Agency.....	391,475	353,563	353,663
Historical and Museum Commission.....	20,944	21,624	22,624
Human Services.....	11,362,257	11,667,529	12,657,519
Insurance.....	-	-	7,000
Labor and Industry.....	71,368	81,404	91,190
Military and Veterans Affairs.....	120,927	132,041	148,740
Probation and Parole Board*.....	156,028	167,245	-
Revenue****.....	176,347	182,681	194,390
State.....	11,149	11,972	12,153
State Police.....	221,062	245,873	268,536
Transportation.....	6,013	6,165	6,114
Legislature.....	229,906	229,760	304,416
Judiciary.....	317,432	342,432	364,633
Government Support Agencies.....	34,902	34,902	50,164
GRAND TOTAL*****	<u>\$ 29,152,763</u>	<u>\$ 30,558,597</u>	<u>\$ 32,727,800</u>

* Probation and Parole Board has been transferred to the Department of Corrections and Rehabilitation (2016-17).

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

*** Includes Environmental Hearing Board.

**** Excludes refunds.

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

Federal Funds by Department

The following is a summary of Federal funds, by department, 2014-15 actual expenditures, the 2015-16 amounts available and the 2016-17 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2014-15 Actual	2015-16 Available	2016-17 Budget
Executive Offices.....	\$ 94,407	\$ 106,368	\$ 146,131
Attorney General.....	18,225	21,586	21,195
Aging.....	143,317	224,682	157,485
Agriculture.....	40,110	71,610	44,610
Community and Economic Development.....	204,234	232,889	244,439
Conservation and Natural Resources.....	40,944	41,324	38,917
Corrections and Rehabilitation*.....	5,491	6,032	6,033
Drug and Alcohol Programs.....	77,513	82,017	81,559
Education.....	2,354,811	2,389,648	2,391,611
eHealth Partnership Authority.....	-	10,000	-
Emergency Management Agency.....	221,681	199,590	171,542
Environmental Protection**.....	193,145	193,050	193,075
Health.....	616,500	597,824	567,039
Historical and Museum Commission.....	8,279	9,956	8,549
Human Services.....	18,075,495	19,456,185	20,799,553
Infrastructure Investment Authority.....	213,332	170,535	178,591
Insurance.....	7,535	4,578	1,400
Labor and Industry.....	436,387	491,536	491,643
Military and Veterans Affairs.....	176,192	260,583	256,268
Probation and Parole Board*.....	572	392	-
Public Utility Commission.....	3,785	3,061	2,680
State.....	17,560	14,416	12,960
State Police.....	21,873	23,030	25,747
Transportation.....	246,864	253,000	253,000
Judiciary.....	1,629	1,564	1,724
Government Support Agencies.....	1,280	1,280	1,280
GRAND TOTAL.....	<u>\$ 23,221,161</u>	<u>\$ 24,866,736</u>	<u>\$ 26,097,031</u>

* Probation and Parole Board has been transferred to the Department of Corrections and Rehabilitation (2016-17).

** Includes Environmental Hearing Board.

Augmentations by Department

The following is a summary of augmentations, by department, of 2014-15 actual expenditures, the 2015-16 amounts available and the 2016-17 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	2014-15 Actual	2015-16 Available	2016-17 Budget
Executive Offices.....	\$ 123,735	\$ 119,460	\$ 112,513
Attorney General*.....	14,793	15,486	15,762
Auditor General.....	13,345	11,026	11,521
Treasury.....	10,612	7,951	8,213
Agriculture.....	7,390	6,103	5,890
Banking and Securities.....	7,916	8,005	8,500
Civil Service Commission.....	13,583	14,131	14,480
Community and Economic Development*.....	20,825	14,341	7,316
Conservation and Natural Resources.....	52,073	51,332	52,700
Corrections and Rehabilitation**.....	19,610	2,147	24,544
Drug and Alcohol Programs.....	2,476	2,503	2,503
Education*.....	231,180	7,216	8,308
Emergency Management Agency.....	533	506	506
Environmental Protection* ***.....	35,941	36,624	36,624
General Services.....	48,263	42,651	61,280
Health*.....	23,035	25,010	25,661
Higher Education Assistance Agency.....	85,000	125,000	125,000
Historical and Museum Commission.....	641	1,132	1,312
Human Services.....	2,183,261	2,425,786	2,540,597
Labor and Industry*.....	2,129	2,095	2,095
Military and Veterans Affairs.....	33,725	33,165	33,269
Probation and Parole Board**.....	21,137	21,946	-
Public Utility Commission*.....	64,571	69,640	71,101
Revenue.....	49,808	51,945	53,326
State*.....	56,058	61,196	61,693
State Police*.....	78,635	72,548	69,448
Judiciary*.....	54,456	57,048	57,048
GRAND TOTAL.....	<u>\$ 3,254,731</u>	<u>\$ 3,285,993</u>	<u>\$ 3,411,210</u>

* Includes funds appropriated from restricted revenues.

** Probation and Parole Board has been transferred to the Department of Corrections and Rehabilitation (2016-17).

*** 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)						
	2014-15 Actual	2015-16 Estimated	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income Tax.....	\$ 2,811,484	\$ 2,811,600	\$ 2,876,600	\$ 2,840,900	\$ 2,869,100	\$ 2,833,100	\$ 2,747,200
Capital Stock and Franchise Taxes.....	241,587	121,500	20,100	0	0	0	0
Selective Business:							
Gross Receipts Tax.....	1,261,821	1,237,800	1,214,400	1,219,200	1,231,300	1,237,400	1,237,300
Public Utility Realty Tax.....	38,157	39,100	38,800	39,100	39,500	39,900	40,300
Insurance Premiums Tax.....	454,307	565,000	599,900	631,100	659,100	693,500	724,700
Financial Institutions Tax.....	294,080	370,800	384,600	404,100	426,100	449,300	474,100
Severance Tax.....	0	0	217,800	340,700	339,200	417,500	507,000
Other Selective Business Taxes.....	15,462	3,800	1,500	200	200	200	200
Total — Corporation Taxes.....	\$ 5,116,898	\$ 5,149,600	\$ 5,353,700	\$ 5,475,300	\$ 5,564,500	\$ 5,670,900	\$ 5,730,800
Consumption Taxes							
Sales and Use Tax.....	\$ 9,493,107	\$ 9,863,000	\$ 10,628,600	\$ 11,094,100	\$ 11,498,800	\$ 11,858,300	\$12,118,100
Cigarette Tax.....	927,205	1,035,000	1,347,500	1,300,900	1,257,400	1,215,200	1,173,400
Other Tobacco Products Tax.....	0	10,000	133,200	140,500	146,900	153,100	160,100
Malt Beverage Tax.....	24,473	24,500	24,500	24,500	24,500	24,500	24,500
Liquor Tax.....	334,414	346,500	358,600	370,800	383,000	395,600	408,700
Total — Consumption Taxes.....	\$ 10,779,199	\$ 11,279,000	\$ 12,492,400	\$ 12,930,800	\$ 13,310,600	\$ 13,646,700	\$13,884,800
Other Taxes							
Personal Income Tax.....	\$ 12,107,377	\$ 13,002,187	\$ 13,967,375	\$ 14,661,375	\$ 15,463,675	\$ 16,289,975	\$17,157,575
Realty Transfer Tax.....	413,778	481,000	529,900	568,300	588,300	599,300	606,900
Inheritance Tax.....	1,002,259	944,700	998,000	1,044,300	1,089,800	1,135,100	1,157,100
Table Games.....	95,921	121,800	154,100	162,400	171,000	172,700	174,200
Minor and Repealed Taxes.....	-23,113	-35,000	-47,100	-59,900	-74,600	-96,000	-109,100
Total — Other Taxes.....	\$ 13,596,222	\$ 14,514,687	\$ 15,602,275	\$ 16,376,475	\$ 17,238,175	\$ 18,101,075	\$18,986,675
TOTAL TAX REVENUE.....	\$ 29,492,319	\$ 30,943,287	\$ 33,448,375	\$ 34,782,575	\$ 36,113,275	\$ 37,418,675	\$38,602,275
NONTAX REVENUE							
State Stores Fund Transfer.....	\$ 80,000	\$ 0	\$ 100,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Enhanced LCB Proceeds.....	0	0	100,000	185,000	185,000	185,000	185,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	110,115	156,300	131,100	106,300	106,300	106,300	106,300
Miscellaneous.....	839,900	370,100	187,400	214,200	214,200	214,200	214,200
Fines, Penalties and Interest:							
Other.....	70,167	68,800	66,800	66,800	66,800	66,800	66,800
TOTAL NONTAX REVENUES.....	\$ 1,100,182	\$ 595,200	\$ 585,300	\$ 652,300	\$ 652,300	\$ 652,300	\$ 652,300
GENERAL FUND TOTAL.....	\$ 30,592,501	\$ 31,538,487	\$ 34,033,675	\$ 35,434,875	\$ 36,765,575	\$ 38,070,975	\$39,254,575

Totals may not add due to rounding.

Adjustments to Revenue Estimate

On December 29, 2015, the Official Estimate for fiscal year 2015-16 was certified to be \$30,871,700,000. 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 as well as tax proposals for the budget.

	(Dollar Amounts in Thousands)		
	2015-16 Official Estimate	Adjustments	2015-16 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income Tax.....	\$ 2,831,700	\$ -20,100	\$ 2,811,600
Capital Stock and Franchise Taxes.....	110,600	10,900	121,500
Selective Business:			
Gross Receipts Tax.....	1,236,800	1,000	1,237,800
Public Utility Realty Tax.....	39,300	-200	39,100
Insurance Premiums Tax.....	483,500	81,500	565,000
Financial Institutions Tax.....	331,500	39,300	370,800
Other Selective Business Taxes.....	2,500	1,300	3,800
Total — Corporation Taxes.....	\$ 5,035,900	\$ 113,700	\$ 5,149,600
Consumption Taxes			
Sales and Use Tax.....	\$ 9,824,700	\$ 38,300	\$ 9,863,000
Cigarette Tax.....	919,000	116,000	1,035,000
Other Tobacco Products Tax.....	0	10,000	10,000
Malt Beverage Tax.....	24,500	0	24,500
Liquor Tax.....	346,500	0	346,500
Total — Consumption Taxes.....	\$ 11,114,700	\$ 164,300	\$ 11,279,000
Other Taxes			
Personal Income Tax.....	\$ 12,707,900	\$ 294,287	\$ 13,002,187
Realty Transfer Tax.....	478,100	2,900	481,000
Inheritance Tax.....	927,500	17,200	944,700
Table Games.....	101,900	19,900	121,800
Minor and Repealed Taxes.....	-35,600	600	-35,000
Total — Other Taxes.....	\$ 14,179,800	\$ 334,887	\$ 14,514,687
TOTAL TAX REVENUE.....	\$ 30,330,400	\$ 612,887	\$ 30,943,287
NONTAX REVENUE			
State Stores Fund Transfer.....	\$ 100,000	\$ -100,000	\$ 0
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	106,900	49,400	156,300
Miscellaneous.....	265,600	104,500	370,100
Fines, Penalties and Interest:			
Other.....	68,800	0	68,800
TOTAL NONTAX REVENUES.....	\$ 541,300	\$ 53,900	\$ 595,200
GENERAL FUND TOTAL.....	\$ 30,871,700	\$ 666,787	\$ 31,538,487

General Fund Revenue Sources

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

Corporate Net Income Tax

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

Tax Rates:

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

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

Proposed Change: Beginning with tax year 2016, federal law extends the federal filing deadline for calendar year corporate filers from March 15 to April 15. Because the Pennsylvania corporate net income tax return starts with the corporation's federal tax return information, it is proposed to similarly extend the Pennsylvania corporate net income tax return due date for calendar year filers from April 15 to May 15. The Pennsylvania corporate net income tax filing deadlines for fiscal year filers remains 30 days after the corporation's federal tax return is due.

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

General Fund Revenue Sources

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.

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

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

Public Utility Realty Tax

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

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

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

Insurance Premiums Tax

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

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

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

Proposed Change: An additional surcharge of 0.5% of gross premiums will be levied on property, casualty, and fire insurance premiums, effective January 1, 2016. Additional revenue attributable to the surcharge will be deposited in the General Fund. Beginning in fiscal year 2016-17 and each fiscal year thereafter, \$10 million attributable to the surcharge will be transferred to a restricted account to provide assistance to volunteer fire companies.

Financial Institutions Taxes

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

Tax Rates:

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

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

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

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

Proposed Changes: The Bank and Trust Company Shares Tax rate will increase from 0.89 percent to 0.99 percent effective for January 1, 2016 and thereafter. In addition, the apportionment of receipts from investment and trading assets and activities will be clarified.

Severance Tax on Natural Gas

Proposed Change: A new tax on the severance of natural gas within the commonwealth is proposed. The rate is 6.5% of the value of the natural gas. The proposed tax would be effective July 1, 2016. The amount paid in unconventional gas well impact fees can be taken as a credit against the severance tax.

Other Selective Business Taxes

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

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

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

Sales and Use Tax

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

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

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

Proposed Change: The sales and use tax base would be broadened by subjecting digital downloads, basic cable television, and movie theater tickets to the sales and use tax. This proposed change would be effective April 1, 2016. In addition, the one percent discount for the timely remittance of sales tax collected by licensed vendors would be capped at \$25 for Monthly Filers, \$75 for Quarterly Filers, and \$150 for Semi-Annual Filers, beginning April 1, 2016.

Cigarette Tax

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

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

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

Proposed Change: The cigarette tax rate would be increased from 8.00 cents to 13.00 cents per cigarette. The proposed tax would be effective April 1, 2016.

Other Tobacco Products Tax

Proposed Change: A new tax on other tobacco products, including smokeless tobacco, large cigars, loose tobacco, and e-cigarettes is proposed. The tax rate would be 40% of the wholesale value of the product. The proposed tax would be effective May 1, 2016 for smokeless tobacco, large cigars, and e-cigarettes, and July 1, 2016 for loose tobacco.

Malt Beverage Tax

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

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

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

Liquor Tax

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

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

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

Personal Income Tax

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

General Fund Revenue Sources

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

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

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

Proposed Changes: The tax rate will increase to 3.4 percent effective January 1, 2016. In addition, Pennsylvania Lottery winnings will be taxable starting on January 1, 2016. The 100 percent tax forgiveness eligibility income of a qualified single individual will increase to \$8,700 for tax years beginning on January 1, 2016. Beginning in fiscal year 2015-16, \$46.718 million per month will be transferred to a restricted account to pay state contributions for school employee retirement obligations.

Realty Transfer Tax

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

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

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

Inheritance and Estate Taxes

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

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

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

Table Game Taxes

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

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

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

Tax on Promotional Play

Proposed Change: A new tax of 8% is imposed on promotional plays related to slot machines and table games.

Minor and Repealed Taxes

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

State Stores Fund Transfer

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

Licenses, Fees and Miscellaneous Revenue

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

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

Fines, Penalties and Interest

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

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
TAX REVENUE			
Corporate Net Income Tax	\$ 2,811,484	\$ 2,811,600	\$ 2,876,600
Capital Stock and Franchise Taxes			
Capital Stock Taxes — Domestic.....	\$ 83,663	\$ 42,100	\$ 7,000
Franchise Taxes — Foreign.....	157,924	79,400	13,100
SUBTOTAL.....	\$ 241,587	\$ 121,500	\$ 20,100
Gross Receipts Tax			
Electric, Hydroelectric and Water Power.....	\$ 857,761	\$ 857,100	\$ 855,200
Telephone and Telegraph.....	401,645	378,300	356,700
Transportation.....	2,415	2,400	2,500
SUBTOTAL.....	\$ 1,261,821	\$ 1,237,800	\$ 1,214,400
Public Utility Realty Tax	\$ 38,157	\$ 39,100	\$ 38,800
Insurance Premiums Tax			
Domestic Casualty.....	\$ 86,442	\$ 95,500	\$ 98,400
Domestic Fire.....	22,389	20,800	21,500
Domestic Life and Previously Exempted Lines.....	73,384	86,600	89,300
Excess Insurance Brokers.....	33,202	28,800	29,700
Foreign Fire/Casualty Surcharge.....	0	80,700	100,900
Foreign Excess Casualty.....	10,561	7,800	8,000
Foreign Excess Fire.....	6,626	4,200	4,400
Foreign Life.....	208,601	221,100	227,800
Marine.....	892	3,200	3,300
Title Insurance.....	7,255	8,000	8,300
Unauthorized Insurance.....	4,955	8,300	8,300
SUBTOTAL.....	\$ 454,307	\$ 565,000	\$ 599,900
Financial Institutions Taxes			
Federal Mutual Thrift Institutions.....	\$ 6,739	\$ 8,600	\$ 6,800
National Banks.....	187,332	236,100	247,700
State Banks.....	74,762	94,200	98,800
State Mutual Thrift Institutions.....	6,339	8,000	6,300
Trust Companies.....	18,908	23,900	25,000
SUBTOTAL.....	\$ 294,080	\$ 370,800	\$ 384,600
Severance Tax	\$ 0	\$ 0	\$ 217,800
Other Selective Business Taxes			
Corporate Loans — Domestic.....	\$ 3,703	\$ 900	\$ 400
Miscellaneous Business Taxes.....	576	200	100
Corporation Taxes — Clearing Accounts Undistributed.....	11,183	2,700	1,000
SUBTOTAL.....	\$ 15,462	\$ 3,800	\$ 1,500
Sales and Use Tax			
Motor Vehicle.....	\$ 1,326,217	\$ 1,358,100	\$ 1,421,600
Non-Motor Vehicle.....	8,166,890	8,504,900	9,207,000
SUBTOTAL.....	\$ 9,493,107	\$ 9,863,000	\$ 10,628,600
Cigarette Tax	\$ 927,205	\$ 1,035,000	\$ 1,347,500
Other Tobacco Products Tax	\$ 0	\$ 10,000	\$ 133,200
Malt Beverage Tax	\$ 24,473	\$ 24,500	\$ 24,500
Liquor Tax	\$ 334,414	\$ 346,500	\$ 358,600

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Personal Income Tax			
Non-Withholding.....	\$ 3,035,660	\$ 3,307,100	\$ 3,469,800
Withholding.....	9,071,717	9,695,087	10,497,575
SUBTOTAL.....	\$ 12,107,377	\$ 13,002,187	\$ 13,967,375
Realty Transfer Tax.....	\$ 413,778	\$ 481,000	\$ 529,900
Inheritance Tax			
Nonresident Inheritance and Estate Tax.....	\$ 6,100	\$ 5,700	\$ 6,000
Resident Inheritance and Estate Tax.....	996,159	939,000	992,000
SUBTOTAL.....	\$ 1,002,259	\$ 944,700	\$ 998,000
Table Games.....	\$ 95,921	\$ 121,800	\$ 154,100
Minor and Repealed Taxes			
Tax on Writs, Wills and Deeds.....	\$ 1,090	\$ 1,100	\$ 1,100
Tavern Games/Small Games of Chance.....	554	1,000	1,000
Unallocated EFT Payments.....	736	0	0
Excess Vehicle Rental Tax.....	5,721	8,400	8,400
Payments of Intergrated Taxes (KITS).....	347	0	0
Clearing of Wage Garnishment Collections.....	2,032	1,900	1,900
NIZ State Tax Transfer.....	-39,621	-39,400	-47,100
CRIZ State Tax Transfer.....	0	-8,000	-12,400
Delinquent Notice Clear.....	6,028	0	0
SUBTOTAL.....	\$ -23,113	\$ -35,000	\$ -47,100
TOTAL TAX REVENUE.....	\$ 29,492,319	\$ 30,943,287	\$ 33,448,375
NONTAX REVENUES			
State Stores Fund Transfer.....	\$ 80,000	\$ 0	\$ 100,000
Enhanced LCB Proceeds.....	\$ 0	\$ 0	\$ 100,000
Licenses, Fees and Miscellaneous			
Governor's Offices			
MISCELLANEOUS REVENUE			
Right To Know.....	\$ 2	\$ 0	\$ 0
DEPARMENT TOTAL.....	\$ 2	\$ 0	\$ 0
Executive Offices			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 500	\$ 500	\$ 501
Interest Transferred to Employee Benefits.....	-848	-848	-847
Refunds Of Expenditures Not Credited To Appropriations.....	*	*	*
SUBTOTAL.....	\$ -348	\$ -348	\$ -346
DEPARMENT TOTAL.....	\$ -348	\$ -348	\$ -346
Lieutenant Governor's Office			
LICENSES AND FEES			
Board Of Pardons Fees.....	\$ 16	\$ 16	\$ 16
Board Of Pardons — Filing Fees.....	7	7	7
SUBTOTAL.....	23	23	23
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ *	\$ *
Right To Know.....	*	0	0
SUBTOTAL.....	\$ 0	\$ 0	\$ 0
DEPARMENT TOTAL.....	\$ 23	\$ 23	\$ 23

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Auditor General			
LICENSES AND FEES			
Filing Fees — Board of Arbitration of Claims.....	\$ 1	\$ 1	\$ 1
DEPARTMENT TOTAL.....	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments.....	\$ 708	\$ 477	\$ 477
Criminal Restitution General Fund.....	89	45	45
Miscellaneous Interest Offset for Appropriation 611.....	-93	-85	-85
Miscellaneous.....	589	40	40
Refunds Of Expenditures Not Credited To Appropriations.....	58	30	30
DEPARTMENT TOTAL.....	<u>\$ 1,351</u>	<u>\$ 507</u>	<u>\$ 507</u>
Treasury Department			
MISCELLANEOUS REVENUE			
Allocation of Treasury Costs.....	\$ 4,349	\$ 3,960	\$ 4,000
Contra Account Audit Service fees.....	0	-250	-200
Dividend Income Reinvested - Long Term.....	64	0	0
Interest on Average Collected Balance - WIC Program.....	18	0	0
Interest on Deposits.....	34	0	0
Interest on Securities.....	0	3,360	3,867
Miscellaneous.....	219	0	0
Redeposit of Checks.....	389	1,000	800
Treasury Invest Inc.....	3,358	0	0
Unclaimed Property — Recovery Fees w/h for Audit Service.....	0	-10,000	-5,000
Unclaimed Property — Contra Acct Paypal Fees.....	-4	0	0
Unclaimed Property — Claim Payments.....	-125,100	-110,000	-140,000
Unclaimed Property — Financial Institution Deposits.....	166,205	43,000	45,000
Unclaimed Property — Other Holder Deposits.....	503,343	247,600	227,200
DEPARTMENT TOTAL.....	<u>\$ 552,875</u>	<u>\$ 178,670</u>	<u>\$ 135,667</u>
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses.....	\$ 5	\$ 5	\$ 1
Approved Inspectors Certificate And Registration Fees.....	3	3	3
Eating & Drinking Licenses.....	2,383	2,500	2,500
Egg Certification Fees.....	10	12	12
Egg Opening Licenses.....	1	0	1
Garbage Feeders Licenses.....	*	*	*
Ice Cream Licenses.....	147	150	150
Lab Directors' Exam Fees.....	3	1	1
Livestock Branding Fees.....	*	*	*
Poultry Technician Licenses.....	5	5	5
Pub Weighmasters (Under Act 155).....	249	200	200
Registration Fee — Food Establishment.....	225	230	230
Rendering Plant Licenses.....	2	2	1
SUBTOTAL.....	<u>\$ 3,033</u>	<u>\$ 3,108</u>	<u>\$ 3,104</u>
MISCELLANEOUS REVENUE			
Interest Earnings Contra BA 68.....	\$ -11	\$ 0	\$ 0
Miscellaneous.....	1	0	0
Refunds Of Expenditures Not Credited To Appropriations.....	*	0	0
Right to Know.....	*	*	*
SUBTOTAL.....	<u>\$ -10</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL.....	<u>\$ 3,023</u>	<u>\$ 3,108</u>	<u>\$ 3,104</u>

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Department of Banking and Securities			
LICENSES AND FEES			
Licenses and Fees.....	\$ 26,726	\$ 24,872	\$ 23,526
SUBTOTAL.....	\$ 26,726	\$ 24,872	\$ 23,526
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 0	\$ *	\$ *
Refund of Expenditures not Credited to Approp.....	*	0	0
SUBTOTAL.....	\$ 0	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 26,726	\$ 24,872	\$ 23,526
Department of Community and Economic Development			
LICENSES AND FEES			
Municipal Indebtedness Fees.....	\$ 305	\$ 304	\$ 305
SUBTOTAL.....	\$ 305	\$ 304	\$ 305
MISCELLANEOUS REVENUE			
Interest From Grantees.....	\$ 18	\$ 18	\$ 18
Miscellaneous.....	42	41	37
General Principal Repayments.....	0	0	5
General Interest on Loans.....	0	0	1
HRA/EDS Principal Repayments.....	109	109	110
HRA/EDS Interest Repayments.....	0	0	0
HRA/EDS Interest on Loans.....	2	2	2
ID/BID Principal Repayments.....	897	897	900
ID/BID Penalty Charges.....	0	0	*
ID/BID Interest on Loans.....	143	143	145
PENNWORKS Interest on Loans.....	1,096	1,096	1,100
PENNWORKS Penalty Charges.....	4	4	4
PENNWORKS Principle Repayment.....	3,703	3,703	3,705
Refunds of Expenditures Not Credited to Appropriations.....	123	122	121
SUBTOTAL.....	\$ 6,137	\$ 6,135	\$ 6,148
DEPARTMENT TOTAL.....	\$ 6,442	\$ 6,439	\$ 6,453
Department of Conservation and Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases.....	\$ 797	\$ 800	\$ 800
Ground Rents.....	26	20	20
Housing Rents.....	24	24	24
Minerals Sales.....	1	2	2
Miscellaneous.....	4	5	5
Sale of DEP Water Kits.....	1	2	2
Parks Consignment Sales.....	2	1	1
Refunds Of Expenditures Not Credited To Appropriations.....	*	0	0
Rights-Of-Way.....	1,078	1,000	1,000
Water Leases.....	19	21	21
DEPARTMENT TOTAL.....	\$ 1,952	\$ 1,875	\$ 1,875
Department of Corrections and Rehabilitation			
MISCELLANEOUS REVENUE			
Antitrust Case Payments.....	\$ 0	\$ 5	\$ 6
Miscellaneous.....	20	26	26
Refunds Of Expenditures Not Credited To Appropriations.....	258	2	2
Telephone Commissions.....	5,692	4,217	4,217
DEPARTMENT TOTAL.....	\$ 5,970	\$ 4,250	\$ 4,251

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Department of Education			
LICENSES AND FEES			
Fees For GED Transcripts.....	\$ 57	\$ 57	\$ 57
Fees For Licensing Private Schools.....	148	149	149
PDE Fees Transcripts — Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	150	38	38
Fees For Licensing Private Driver Training Schools.....	106	96	96
Secondary Education Evaluation Fees.....	9	8	8
Teacher Certification Fees.....	2,379	2,300	2,300
Fingerprint and FBI Background Check Fees.....	495	700	900
SUBTOTAL.....	\$ 3,344	\$ 3,348	\$ 3,548
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Right to Know.....	2	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ 2	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 3,346	\$ 3,348	\$ 3,548
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Interest Earnings Contra BA 31.....	\$ -5	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
DEPARTMENT TOTAL.....	\$ -5	\$ 0	\$ 0
Department of Environmental Protection			
LICENSES AND FEES			
Bituminous Shot Firers and Machine Runners Exam A.....	\$ 3	\$ 2	\$ 2
Blasters' Examination and Licensing Fees.....	36	35	35
Dams and Encroachment Fees.....	291	221	221
Explosives Storage Permit Fees.....	71	72	72
Government Financed Costs Contracts.....	60	0	0
Hazardous Waste Facility Annual Permit Administration Fees.....	28	27	27
Hazardous Waste Facility Permit Application Fees.....	158	128	128
Hazardous Waste Storage-Disposal Fac-Fee.....	1	41	41
Hazardous Waste Transporter License and Fees.....	39	42	42
Infectious and Chemical Waste Transport Fees.....	13	11	11
Municipal Waste Annual Permit Administration Fees.....	182	194	194
Municipal Waste Permit Application Fees.....	127	115	115
Residual Waste Permit Administration Fees.....	272	236	236
Residual Waste Permit Application/Modification Fees.....	57	46	46
Sewage Permit Fees.....	90	103	103
Submerged Land Fees.....	57	54	54
Water Bacteriological Examination Fees.....	11	17	17
Water Power and Supply Permit Fees.....	92	93	93
SUBTOTAL.....	\$ 1,588	\$ 1,437	\$ 1,437
MISCELLANEOUS REVENUE			
Ground Rentals.....	\$ 10	\$ 10	\$ 10
Miscellaneous.....	12	12	12
Payment To Occupy Submerged Lands.....	1,556	1,170	1,170
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
Rights-of-Way.....	6	18	18
Royalties for Recovery Of Materials — Schuylkill River.....	77	93	93
SUBTOTAL.....	\$ 1,661	\$ 1,303	\$ 1,303
DEPARTMENT TOTAL.....	\$ 3,249	\$ 2,740	\$ 2,740

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Department of General Services			
MISCELLANEOUS REVENUE			
Allocation Of Purchasing Costs Job 7.....	\$ 4,326	\$ 4,434	\$ 4,545
Real Estate Services.....	180	247	253
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
Rental Of State Property.....	128	75	75
Right To Know.....	2	1	1
Sale Of State Property.....	2,603	4,000	4,000
Sale Of Property Escrow.....	-495	125	125
Reading State Office Building.....	94	261	268
Scranton State Office Building.....	314	787	806
DEPARTMENT TOTAL.....	<u>\$ 7,152</u>	<u>\$ 9,930</u>	<u>\$ 10,073</u>
Department of Health			
LICENSES AND FEES			
Bathing Place Program — Application Fees.....	\$ 1	\$ 1	\$ 1
Birth Certificate Fees.....	5,555	5,555	5,555
Birth Certificate Fees - Transfer.....	-2,531	-2,532	-2,532
Cre Certification Fees.....	25	21	21
Home Care Agency Licensure Fees.....	141	140	140
Hospice Licensing Fees.....	27	27	27
Immunization Service Fees.....	17	32	32
Miscellaneous Licensure Fees.....	204	198	198
Nursing Home Licenses.....	289	283	283
Pediatric Extended Care Licensing Fees.....	16	10	10
Profit Making Hospital Licenses.....	199	271	206
Organized Camps Program Fees.....	3	3	3
Registration Fees — Hearing Aid Act.....	121	125	125
Registration Fees — Drugs Devices and Cosmetics Act.....	472	475	475
Vital Statistics Fees.....	1,761	1,761	1,761
Wholesale Prescription Drug Distribution Licenses.....	71	72	72
SUBTOTAL.....	<u>\$ 6,371</u>	<u>\$ 6,442</u>	<u>\$ 6,377</u>
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 90	\$ 97	\$ 97
Right to Know.....	1	2	2
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	<u>\$ 91</u>	<u>\$ 99</u>	<u>\$ 99</u>
DEPARTMENT TOTAL.....	<u>\$ 6,462</u>	<u>\$ 6,541</u>	<u>\$ 6,476</u>
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 0	\$ 43	\$ 40
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
DEPARTMENT TOTAL.....	<u>\$ 0</u>	<u>\$ 43</u>	<u>\$ 40</u>

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Insurance Department			
LICENSES AND FEES			
Agents' Licenses.....	\$ 32,261	\$ 32,208	\$ 33,044
Brokers' Licenses.....	10,885	10,833	11,152
Division of Companies Certification — Certificates and Filing Fees.....	2,076	2,105	2,108
Examination Fees and Expenses.....	3,598	3,250	3,250
Market Conduct Examination Fees.....	679	500	500
Miscellaneous Fees.....	691	660	683
Contra Transfers.....	-28,817	-27,366	-27,957
Valuation of Policies Fees.....	7,490	5,176	5,176
SUBTOTAL.....	\$ 28,863	\$ 27,366	\$ 27,956
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ -10	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ -10	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 28,853	\$ 27,366	\$ 27,956
Department of Labor and Industry			
LICENSES AND FEES			
Accessibility.....	\$ 34	\$ 42	\$ 38
Approval of Building Plan Fees.....	506	475	475
Approval of Elevator Plan Fees.....	614	500	500
Bedding And Upholstery Fees.....	797	725	725
Boiler Inspection Fees.....	3,531	3,350	3,350
Boiler Plan Fees.....	59	70	70
Elevator Inspection Fees.....	1,171	800	800
Employment Agency Licenses.....	-1	0	0
Flammable Liquids Storage Fees.....	38	38	38
Industrial Board.....	81	80	80
Industrial Homework Permit Fees.....	0	0	0
Liquefied Petroleum Gas Plan Fees.....	41	40	40
Liquefied Petroleum Gas Registration Fees.....	134	75	75
Stuffed Toys Manufacturers' Registration Fees.....	63	63	63
UCC Certifications.....	67	72	65
SUBTOTAL.....	\$ 7,135	\$ 6,330	\$ 6,319
MISCELLANEOUS REVENUE			
Miscellaneous.....	3	1	1
Interest Earnings Contra BA12.....	-4	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ -1	\$ 1	\$ 1
DEPARTMENT TOTAL.....	\$ 7,134	\$ 6,331	\$ 6,320
Department of Human Services			
LICENSES AND FEES			
Personal Care Facilities Licenses.....	\$ 47	\$ 47	\$ 47
SUBTOTAL.....	\$ 47	\$ 47	\$ 47
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 6	\$ 6	\$ 6
Refunds of Expenditures Not Credited to Appropriations.....	*	*	*
SUBTOTAL.....	\$ 6	\$ 6	\$ 6
DEPARTMENT TOTAL.....	\$ 53	\$ 53	\$ 53

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Department of Revenue			
LICENSES AND FEES			
Certification And Copy Fees.....	\$ 38	\$ 38	\$ 39
Cigarette Permit Fees.....	771	772	773
Domestic Violence and Rape Crisis Program Fee.....	1,205	1,109	1,009
License Fees.....	0	0	0
SUBTOTAL.....	\$ 2,014	\$ 1,919	\$ 1,821
MISCELLANEOUS REVENUE			
Exempt Collections Per Act 1992-67.....	\$ 15,366	16,145	16,389
District Justice Costs.....	7,631	7,631	7,631
Miscellaneous.....	-11	136	136
Distribution Due Absentee.....	59	58	58
Conscience Money.....	2	2	2
Right to Know.....	*	*	*
Refunds of Expenditures Not Credited to Appropriations.....	30	32	35
SUBTOTAL.....	\$ 23,077	\$ 24,004	\$ 24,251
DEPARTMENT TOTAL.....	\$ 25,091	\$ 25,923	\$ 26,072
Department of State			
LICENSES AND FEES			
Charities Bureau Registration Fees.....	\$ 2,405	2,500	\$ 2,600
Commission and Filing Fees — Bureau Of Elections.....	523	620	620
Commission and Filing Fees — Corporation Bureau.....	26,339	26,750	27,200
Campaign Finance Fee.....	115	90	73
Notary Public Commission Fees.....	939	935	975
SUBTOTAL.....	\$ 30,321	\$ 30,895	\$ 31,468
MISCELLANEOUS REVENUE			
Prof. & Occupational Affairs Credit Card Transfers.....	\$ 2,006	\$ 0	\$ 0
Interest Transferred to HAVA Program.....	-24	0	0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ 1,982	\$ 0	\$ 0
DEPARTMENT TOTAL.....	\$ 32,303	\$ 30,895	\$ 31,468
State Police			
MISCELLANEOUS REVENUE			
Act 64 - Contra Miscellaneous Revenue	\$ -10	\$ 0	\$ 0
Miscellaneous.....	404	175	175
Reimbursement For Lost Property.....	*	1	1
Refunds of Expenditures Not Credited to Appropriations.....	*	300	300
DEPARTMENT TOTAL.....	\$ 394	\$ 476	\$ 476
Department of Transportation			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 0	\$ 5	\$ 5
Right To Know.....	8	10	10
DEPARTMENT TOTAL.....	\$ 8	\$ 15	\$ 15

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Other			
LICENSES AND FEES			
Gaming Control Board - Ancillary Table Games License Fees.....	\$ 285	\$ 208	\$ 25,168
Slots License Fee.....		50,000	
Liquor Control Board - Small Games of Chance - License Fees.....	26	*	*
SUBTOTAL.....	\$ 311	\$ 50,208	\$ 25,168
MISCELLANEOUS REVENUE			
Payments in Lieu of Taxes — SWIF.....	\$ 4,533	\$ 3,000	\$ 3,000
Gaming Control Board - Refunds of Expend Not Credited to Approp	*	0	0
Insurance Contra IROC Return	6,448	8,700	0
State Ethics Commission - Refunds Not Credited to Approp.....	0	2	2
Supreme Court.....	51	32	32
Transfers From Special Funds.....	226,704	131,400	0
SUBTOTAL.....	\$ 237,736	\$ 143,134	\$ 3,034
DEPARTMENT TOTAL.....	\$ 238,047	\$ 193,342	\$ 28,202
Total Licenses, Fees and Miscellaneous.....	\$ 950,104	\$ 526,400	\$ 318,500
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax.....	\$ -0	\$ 0	\$ 0
Interest on Excise Taxes — Corporations (Department of Revenue).....	-0	0	0
Penalties on Excise Taxes — Corporations.....	0	0	0
SUBTOTAL.....	\$ -0	\$ 0	\$ 0
Other Fines and Penalties			
Department of Agriculture			
Amusement Rides and Attractions — Fines.....	\$ 0	\$ 3	\$ 3
General Food Fines.....	20	0	0
Harness Racing Fines and Penalties.....	152	150	150
Horse Racing Fines and Penalties.....	94	92	92
Miscellaneous Fines.....	0	6	6
Civil Penalties - Food Establishments.....	9	5	4
Weights & Measures Division - Fines.....	0	3	3
Department of Conservation and Natural Resources			
Miscellaneous Fines.....	*	0	0
Department of Environmental Protection			
Miscellaneous Fines.....	10	7	7
Ethics Commission			
Violations-Act 1978-170.....	149	60	60
Lobbying Act 134-206.....	0	65	65
Gaming Control Board			
Miscellaneous Fines and Penalties.....	587	587	587
Insurance Department			
Miscellaneous Fines.....	1,939	1,500	1,500
Surcharge Moving Vehicles Violations.....	33,221	31,416	28,803
Department of Labor and Industry			
Minor Labor Law Fines.....	1	1	1
Miscellaneous Fines.....	54	50	50
Public Utility Commission			
Violation Of Order Fines.....	1,883	1,500	1,800

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Department of Revenue			
Malt Liquor Fines and Penalties.....	4	4	4
Commercial Driver Fines.....	326	326	326
Act 154 - 1994 Police Pursuits.....	*	1	1
Emission Regulation Fines & Penalties.....	47	74	99
Fines - Restoration - Operating Privileges.....	6,266	7,356	7,356
Restoration of Vehicle Registration.....	1,705	1,994	2,283
Act 64 Contra revenue code.....	-16,129	-16,129	-16,129
State Gaming Tax Penalties.....	11	0	0
Vehicle Code Fines - Lcl Police Enf.....	21,778	21,778	21,778
Vehicle Code Fines - Overweight Trucks.....	441	441	441
Vehicle Code Fines - St Police Enf.....	17,510	17,510	17,510
SUBTOTAL.....	<u>\$ 70,078</u>	<u>\$ 68,800</u>	<u>\$ 66,800</u>
Total Fines, Penalties and Interest.....	<u>\$ 70,078</u>	<u>\$ 68,800</u>	<u>\$ 66,800</u>
TOTAL NONTAX REVENUES.....	<u>\$ 1,100,182</u>	<u>\$ 595,200</u>	<u>\$ 585,300</u>
 TOTAL GENERAL FUND REVENUES.....	 <u>\$ 30,592,501</u>	 <u>\$ 31,538,487</u>	 <u>\$ 34,033,675</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)					
	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income Tax.....	\$ 1,790,963	\$ 2,131,451	\$ 2,022,401	\$ 2,423,441	\$ 2,501,635	\$ 2,811,484
Capital Stock and Franchise Taxes.....	761,188	819,363	837,243	602,249	320,207	241,587
Selective Business:						
Gross Receipts Tax.....	1,286,669	1,225,163	1,330,023	1,306,271	1,279,229	1,261,821
Public Utility Realty Tax.....	39,549	34,434	28,721	43,884	37,048	38,157
Insurance Premiums Tax.....	459,528	428,594	458,409	446,946	432,073	454,307
Financial Institutions Tax.....	222,802	237,631	272,462	351,477	317,875	294,080
Severance Tax.....	0	0	0	0	0	0
Other Selective Business Taxes.....	18,508	15,391	14,451	15,451	10,315	15,462
Total — Corporation Taxes.....	\$ 4,579,207	\$ 4,892,027	\$ 4,963,711	\$ 5,189,719	\$ 4,898,382	\$ 5,116,898
Consumption Taxes						
Sales and Use Tax.....	\$ 8,029,170	\$ 8,590,217	\$ 8,772,266	\$ 8,893,714	\$ 9,129,621	\$ 9,493,107
Cigarette Tax.....	976,056	1,075,366	1,069,907	1,024,081	976,908	927,205
Other Tobacco Products Tax.....	0	0	0	0	0	0
Malt Beverage Tax.....	26,587	25,923	25,903	25,152	25,096	24,473
Liquor Tax.....	271,015	281,746	298,144	311,248	320,912	334,414
Total — Consumption Taxes.....	\$ 9,302,828	\$ 9,973,252	\$ 10,166,220	\$ 10,254,195	\$ 10,452,537	\$ 10,779,199
Other Taxes						
Personal Income Tax.....	\$ 9,968,733	\$ 10,435,706	\$ 10,800,528	\$ 11,371,245	\$ 11,437,304	\$ 12,107,377
Realty Transfer Tax.....	296,033	279,151	292,152	338,745	375,408	413,778
Inheritance Tax.....	753,778	805,214	827,682	845,258	877,423	1,002,259
Table Games.....	0	68,663	95,029	88,679	90,451	95,921
Minor and Repealed Taxes.....	9,349	6,607	3,207	-20,678	-33,442	-23,113
Total — Other Taxes.....	\$ 11,027,893	\$ 11,595,341	\$ 12,018,598	\$ 12,623,249	\$ 12,747,144	\$ 13,596,222
TOTAL TAX REVENUE.....	\$ 24,909,928	\$ 26,460,620	\$ 27,148,529	\$ 28,067,162	\$ 28,098,063	\$ 29,492,319
NONTAX REVENUE						
State Stores Fund Transfer.....	\$ 105,000	\$ 105,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	284,002	125,420	138,822	137,010	109,287	110,115
Miscellaneous.....	2,322,688	790,443	244,227	307,338	248,832	839,900
Fines, Penalties and Interest:						
On Taxes.....	24,018	12,540	14,344	14,524	0	0
Other.....	2,525	3,193	52,078	40,911	70,969	70,167
TOTAL NONTAX REVENUES.....	\$ 2,738,233	\$ 1,036,596	\$ 529,471	\$ 579,783	\$ 509,088	\$ 1,100,182
GENERAL FUND TOTAL.....	\$ 27,648,161	\$ 27,497,216	\$ 27,678,000	\$ 28,646,945	\$ 28,607,152	\$ 30,592,501



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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Beginning Balance.....	\$ 104,796	\$ 130,345	\$ 34,293
Adjustment to Beginning Balance.....	<u>-2</u>	<u></u>	<u></u>
Adjusted Beginning Balance.....	\$ 104,794	\$ 130,345	\$ 34,293
Revenue:			
Revenue Receipts.....	\$ 2,611,512	\$ 2,680,100	\$ 2,815,500
Adjustment to Official Estimate.....	0	0	0
Prior Year Lapses.....	<u>23,251</u>	<u>20,000</u>	<u>0</u>
Funds Available	\$ 2,739,557	\$ 2,830,445	\$ 2,849,793
Expenditures:			
Appropriations.....	\$ 2,614,725	\$ 2,801,152	\$ 2,832,171
Less Current Year Lapses.....	<u>-5,513</u>	<u>-5,000</u>	<u>0</u>
Estimated Expenditures.....	<u>\$ -2,609,212</u>	<u>\$ -2,796,152</u>	<u>\$ -2,832,171</u>
Ending Balance.....	\$ 130,345	\$ 34,293	\$ 17,622

* Excludes restricted revenue.

Summary by Department

	(Dollar Amounts in Thousands)		
	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Executive Offices			
General Government			
Commonwealth Technology Services.....	\$ 1,334	\$ 1,401	\$ 1,244
DEPARTMENT TOTAL.....	\$ 1,334	\$ 1,401	\$ 1,244
Treasury Department			
General Government			
Administration Refunding Liquid Fuels Tax.....	\$ 533	\$ 533	\$ 533
Refunding Liquid Fuels Taxes — Agricultural (EA).....	4,100	4,600	3,800
Refunding Liquid Fuels Taxes — State Share (EA).....	1,700	1,900	2,100
Refunding Liquid Fuels Taxes — Political Subdivisions (EA).....	3,400	3,800	3,600
Refunding Liquid Fuels Taxes — Volunteer Services (EA).....	500	600	500
Refunding Liquid Fuels Taxes			
— Snowmobiles & ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes — Boat Fund (EA).....	6,100	10,470	10,470
Subtotal.....	\$ 17,333	\$ 22,903	\$ 22,003
Debt Service Requirements			
Capital Debt Transportation Projects.....	\$ 0	\$ 4,223	\$ 25,317
General Obligation Debt Service.....	16,936	16,968	17,815
Loan and Transfer Agent.....	50	50	50
Subtotal.....	\$ 16,986	\$ 21,241	\$ 43,182
TOTAL STATE FUNDS	\$ 34,319	\$ 44,144	\$ 65,185
Restricted Revenue.....	\$ 52,754	\$ 51,772	\$ 51,650
DEPARTMENT TOTAL.....	\$ 87,073	\$ 95,916	\$ 116,835
Department of Agriculture			
Weights and Measures Administration.....	\$ 4,328	\$ 4,728	\$ 4,728
Dirt, Gravel and Low Volume Roads.....	28,000	28,000	28,000
DEPARTMENT TOTAL.....	\$ 32,328	\$ 32,728	\$ 32,728
Department of Community and Economic Development			
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 1,073
DEPARTMENT TOTAL.....	\$ 1,073	\$ 1,073	\$ 1,073
Department of Conservation and Natural Resources			
Dirt and Gravel Roads.....	\$ 7,000	\$ 7,000	\$ 7,000
TOTAL STATE FUNDS.....	\$ 7,000	\$ 7,000	\$ 7,000
Restricted Revenue.....	\$ 7,223	\$ 8,330	\$ 8,962
DEPARTMENT TOTAL.....	\$ 14,223	\$ 15,330	\$ 15,962
Department of Education			
Grants and Subsidies			
Safe Driving Course.....	\$ 1,100	\$ 1,100	\$ 1,100
DEPARTMENT TOTAL.....	\$ 1,100	\$ 1,100	\$ 1,100
Department of General Services			
Tort Claims Payments.....	\$ 10,000	\$ 10,000	\$ 10,000
Harristown Rental Charges (EA).....	92	121	111
Harristown Utility and Municipal Charges (EA).....	207	199	195
DEPARTMENT TOTAL.....	\$ 10,299	\$ 10,320	\$ 10,306

Summary by Department (continued)

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Department of Revenue			
General Government			
Collections — Liquid Fuels Tax.....	\$ 15,695	\$ 18,076	\$ 19,299
Refunding Liquid Fuels Tax (EA).....	16,000	18,000	19,200
TOTAL STATE FUNDS.....	\$ 31,695	\$ 36,076	\$ 38,499
Federal Funds.....	\$ 255	\$ 250	\$ 250
DEPARTMENT TOTAL.....	\$ 31,950	\$ 36,326	\$ 38,749
State Police			
General Government			
General Government Operations.....	\$ 613,884	\$ 687,585	\$ 736,926
Statewide Public Safety Radio System.....	17,109	18,042	26,868
Law Enforcement Information Technology.....	19,116	20,697	20,697
Municipal Police Training.....	1,039	1,270	1,314
Municipal Police Training Grants.....	5,000	5,000	5,000
Patrol Vehicles.....	11,000	12,000	12,000
Automated Fingerprint Identification System	85	85	85
Commercial Vehicle Inspections.....	8,885	10,479	11,055
TOTAL STATE FUNDS.....	\$ 676,118	\$ 755,158	\$ 813,945
Augmentations.....	\$ 692	\$ 585	\$ 585
Federal Funds.....	9,000	9,295	9,295
DEPARTMENT TOTAL.....	\$ 685,810	\$ 765,038	\$ 823,825
Department of Transportation			
General Government			
General Government Operations.....	\$ 55,119	\$ 57,124	\$ 58,586
Welcome Centers.....	3,480	3,730	3,900
Highway and Safety Improvements.....	225,000	268,000	137,000
Highway Capital Projects (EA).....	220,000	220,000	220,000
Highway Maintenance.....	872,426	866,000	908,899
Reinvestment in Facilities.....	16,000	16,000	16,000
Driver and Vehicle Services.....	135,380	147,295	157,971
Refunding Collected Monies (EA).....	1,350	2,500	2,500
Subtotal.....	\$ 1,528,755	\$ 1,580,649	\$ 1,504,856
Grants and Subsidies			
Local Road Maintenance and Construction Payments.....	\$ 207,191	\$ 238,503	\$ 248,235
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 & Construction Payments.....	5,000	5,000	5,000
Municipal Traffic Signals.....	10,000	25,000	40,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
Subtotal.....	\$ 285,191	\$ 331,503	\$ 356,235
SUBTOTAL STATE FUNDS.....	\$ 1,813,946	\$ 1,912,152	\$ 1,861,091
Federal Funds.....	\$ 1,580,252	\$ 1,689,821	\$ 1,689,821
Augmentations.....	232,259	273,976	233,076
Restricted Revenue.....	1,421,612	1,783,380	1,853,635
DEPARTMENT TOTAL.....	\$ 5,048,069	\$ 5,659,329	\$ 5,637,623

Summary by Department (continued)

	(Dollar Amounts in Thousands)		
	2014-15 Actual	2015-16 Estimated	2016-17 Budget
Fund Summary			
State Funds — Transportation.....	\$ 1,813,946	\$ 1,912,152	\$ 1,861,091
State Funds — Other Departments.....	795,266	889,000	971,080
TOTAL STATE FUNDS.....	\$ 2,609,212	\$ 2,801,152	\$ 2,832,171
Motor License Fund Total—All Funds			
State Funds.....	\$ 2,609,212	\$ 2,801,152	\$ 2,832,171
Federal Funds.....	1,589,507	1,699,366	1,699,366
Augmentations.....	232,951	274,561	233,661
Restricted Revenue.....	1,481,589	1,843,482	1,914,247
FUND TOTAL.....	\$ 5,913,259	\$ 6,618,561	\$ 6,679,445

Revenue Summary: Five Year Revenue Projections

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Liquid Fuels Taxes.....	\$ 1,562,431	\$ 1,678,600	\$ 1,765,400	\$ 1,888,900	\$ 1,883,200	\$ 1,898,900	\$ 1,914,000
Motor Licenses and Fees.....	950,807	953,800	1,003,300	1,010,000	1,032,300	1,049,000	1,059,500
Other Motor License Fund Revenues.....	98,274	47,700	46,800	40,600	41,000	41,400	41,700
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 2,611,512	\$ 2,680,100	\$ 2,815,500	\$ 2,939,500	\$ 2,956,500	\$ 2,989,300	\$ 3,015,200
Aviation Restricted Revenues.....	\$ 9,756	\$ 7,700	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900	\$ 6,900
Highway Bridge Improvement Restricted Revenues.....	\$ 168,274	\$ 194,100	\$ 210,900	\$ 234,700	\$ 237,700	\$ 241,300	\$ 245,000
State Highway Transfer Restricted Revenues.....	\$ 39,339	\$ 46,300	\$ 50,400	\$ 56,200	\$ 56,700	\$ 57,100	\$ 57,500
Oil Company Franchise Tax Restricted Revenues.....	\$ 721,220	\$ 849,700	\$ 924,200	\$ 1,030,800	\$ 1,039,400	\$ 1,047,300	\$ 1,054,700
Supplemental Maintenance Restricted Revenues.....	\$ 504,854	\$ 595,000	\$ 647,200	\$ 721,900	\$ 727,900	\$ 733,400	\$ 738,500

Adjustments to Revenue Estimate

On December 23, 2015 an official estimate for the 2015-16 fiscal year of \$2,680,100,000 was certified. The estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

(Dollar Amounts in Thousands)

	2015-16 Official Estimate	Adjustments	2015-16 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,678,600	\$ 0	\$ 1,678,600
Motor Licenses and Fees.....	953,800	0	953,800
Other Motor License Fund Revenues.....	47,700	0	47,700
TOTAL.....	\$ 2,680,100	\$ 0	\$ 2,680,100

Revenue Sources

Liquid Fuels Taxes

Actual		Estimated	
2009-10.....	\$ 1,183,922	2015-16.....	\$ 1,678,600
2010-11.....	1,218,635	2016-17.....	1,765,400
2011-12.....	1,223,985	2017-18.....	1,888,900
2012-13.....	1,223,141	2018-19.....	1,883,200
2013-14.....	1,294,432	2019-20.....	1,898,900
2014-15.....	1,562,431	2020-21.....	1,914,000

Tax Base and Rates:

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

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

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

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

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

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

Revenue Sources (continued)

Motor Licenses and Fees

Actual		Estimated	
2009-10.....	\$ 857,666	2015-16.....	\$ 953,800
2010-11.....	891,552	2016-17.....	1,003,300
2011-12.....	892,586	2017-18.....	1,010,000
2012-13.....	892,517	2018-19.....	1,032,300
2013-14.....	893,886	2019-20.....	1,049,000
2014-15.....	950,807	2020-21.....	1,059,500

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

Other Motor License Fund Revenues

Actual		Estimated	
2009-10.....	\$ 599,478	2015-16.....	\$ 47,700
2010-11.....	411,088	2016-17.....	46,800
2011-12.....	297,644	2017-18.....	40,600
2012-13.....	300,581	2018-19.....	41,000
2013-14.....	258,447	2019-20.....	41,400
2014-15.....	98,274	2020-21.....	41,700

Other Motor License Fund revenues include the following sources:

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

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

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

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
MOTOR FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax.....	\$ 4,520	\$ -300	\$ 0
Liquid Fuels Tax Interest.....	9	0	0
Liquid Fuels Tax Penalties.....	5	0	0
Subtotal.....	<u>\$ 4,534</u>	<u>\$ -300</u>	<u>\$ 0</u>
Fuel Use Tax			
Fuel Use Tax.....	\$ 4	\$ 0	\$ 0
Alternative Fuel Tax			
Alternative Fuel Tax.....	\$ 3,613	\$ 7,670	\$ 6,370
Alternative Fuel Tax Interest and Penalties.....	16	30	30
Subtotal.....	<u>\$ 3,629</u>	<u>\$ 7,700</u>	<u>\$ 6,400</u>
Motor Carriers Road Tax — International Fuel Tax Agreement			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ 69,658	\$ 89,080	\$ 93,540
Motor Carriers Road/IFTA — Registration Fees,			
Special Permit Fees and Fines.....	2,204	2,820	2,960
Subtotal.....	<u>\$ 71,862</u>	<u>\$ 91,900</u>	<u>\$ 96,500</u>
Oil Company Franchise Tax			
Oil Company Franchise Tax	\$ 747,446	\$ 846,100	\$ 923,300
OCFT - Liquid Fuels.....	577,366	576,840	581,430
OCFT - Liquid Fuels Interest.....	12	10	10
OCFT - Liquid Fuels Penalties.....	354	350	360
OCFT - Fuel Use.....	157,224	156,000	157,400
Subtotal.....	<u>\$ 1,482,402</u>	<u>\$ 1,579,300</u>	<u>\$ 1,662,500</u>
TOTAL MOTOR FUELS TAXES.....	<u><u>\$ 1,562,431</u></u>	<u><u>\$ 1,678,600</u></u>	<u><u>\$ 1,765,400</u></u>
MOTOR LICENSES AND FEES			
Operators' Licenses.....	\$ 76,216	\$ 71,300	\$ 75,000
Other Fees Collected by Bureau of Motor Vehicles.....	14,097	24,400	24,600
Registration Fees Received from Other States/IRP.....	96,136	124,200	133,600
Special Hauling Permit Fees.....	36,534	40,000	40,300
Vehicle Registration and Titling.....	727,824	693,900	729,800
TOTAL MOTOR LICENSES AND FEES.....	<u><u>\$ 950,807</u></u>	<u><u>\$ 953,800</u></u>	<u><u>\$ 1,003,300</u></u>

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines.....	\$ 995	\$ 500	\$ 500
Subtotal.....	<u>\$ 995</u>	<u>\$ 500</u>	<u>\$ 500</u>
Miscellaneous Revenues			
Treasury Department			
Interest Income Reinvested - Long Term.....	\$ 1	\$ 0	\$ 0
Treasury Investment Income.....	12,629	6,100	6,160
Treasury Gain or Loss.....	64,810	31,300	31,640
Subtotal.....	<u>\$ 77,440</u>	<u>\$ 37,400</u>	<u>\$ 37,800</u>
Department of General Services			
Sale of Unserviceable Property.....	<u>\$ 1,070</u>	<u>\$ 900</u>	<u>\$ 900</u>
Department of Transportation			
Fees for Reclaiming Abandoned Vehicles.....	\$ 31	\$ 10	\$ 10
Highway Bridge Income.....	2	0	0
Highway Encroachment Permits.....	3,175	1,510	1,290
Interest Earned - Restricted Revenue.....	-2,499 ^a	-1,190 ^a	-1,010 ^a
Miscellaneous Revenues.....	26	10	10
Recovered Damages.....	13	10	10
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	3	0	0
Sale of Inspection Stickers.....	17,908	8,520	7,260
Sale of Maps and Plans.....	72	30	30
Subtotal.....	<u>\$ 18,731</u>	<u>\$ 8,900</u>	<u>\$ 7,600</u>
Department of Revenue			
Fare Evasion.....	\$ 30	\$ 0	\$ 0
Miscellaneous.....	8	0	0
Subtotal.....	<u>\$ 38</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL OTHER MOTOR LICENSE FUND REVENUES.....	<u><u>\$ 98,274</u></u>	<u><u>\$ 47,700</u></u>	<u><u>\$ 46,800</u></u>
TOTAL MOTOR LICENSE FUND REVENUES.....	<u><u>\$ 2,611,512</u></u>	<u><u>\$ 2,680,100</u></u>	<u><u>\$ 2,815,500</u></u>

^a Amounts transferred to restricted revenue account.

Restricted Revenues Not Included in Department Total

Aviation Revenues

Actual		Estimated	
2009-10.....	\$ 8,038	2015-16.....	\$ 7,700
2010-11.....	9,507	2016-17.....	6,900
2011-12.....	7,802	2017-18.....	6,900
2012-13.....	9,027	2018-19.....	6,900
2013-14.....	8,699	2019-20.....	6,900
2014-15.....	9,756	2020-21.....	6,900

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

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax.....	\$ 7,258	\$ 6,700	\$ 5,800
Interest.....	2,498	1,000	1,100
TOTAL AVIATION REVENUES.....	\$ 9,756	\$ 7,700	\$ 6,900

Highway Bridge Improvement Revenues

Actual		Estimated	
2009-10.....	\$ 103,723	2015-16.....	\$ 194,100
2010-11.....	98,255	2016-17.....	210,900
2011-12.....	103,551	2017-18.....	234,700
2012-13.....	107,290	2018-19.....	237,700
2013-14.....	124,088	2019-20.....	241,300
2014-15.....	168,274	2020-21.....	245,000

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

	2014-15 Actual	2015-16 Estimated	2016-17 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Registration Fee Portion-PA-Based Motor Vehicles.....	\$ 12,754	\$ 11,700	\$ 12,000
Temporary Permit Fees.....	520	500	500
Oil Company Franchise Tax.....	155,000	181,900	198,400
TOTAL HIGHWAY BRIDGE REVENUES.....	\$ 168,274	\$ 194,100	\$ 210,900

Restricted Revenues Not Included in Department Total (continued)

State Highway Transfer Revenues

Actual		Estimated	
2009-10.....	\$ 23,570	2015-16.....	\$ 46,300
2010-11.....	23,949	2016-17.....	50,400
2011-12.....	24,105	2017-18.....	56,200
2012-13.....	23,430	2018-19.....	56,700
2013-14.....	28,110	2019-20.....	57,100
2014-15.....	39,339	2020-21.....	57,500

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

Oil Company Franchise Tax Revenues

Actual		Estimated	
2009-10.....	\$ 432,131	2015-16.....	\$ 849,700
2010-11.....	439,060	2016-17.....	924,200
2011-12.....	441,932	2017-18.....	1,030,800
2012-13.....	429,543	2018-19.....	1,039,400
2013-14.....	515,346	2019-20.....	1,047,300
2014-15.....	721,220	2020-21.....	1,054,700

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

Supplemental Maintenance Revenues

Actual		Estimated	
2009-10.....	\$ 302,492	2015-16.....	\$ 595,000
2010-11.....	307,342	2016-17.....	647,200
2011-12.....	309,352	2017-18.....	721,900
2012-13.....	300,681	2018-19.....	727,900
2013-14.....	360,743	2019-20.....	733,400
2014-15.....	504,854	2020-21.....	738,500

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



LOTTERY FUND

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

Financial Statement

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Beginning Balance.....	\$ 202,173	\$ 14,794	\$ 40,937
Reserve from Previous Year.....	75,000	75,000	75,000
Total Beginning Balance.....	\$ 277,173	\$ 89,794	\$ 115,937
Receipts:			
Gross Ticket Sales.....	\$ 3,819,643	\$ 4,093,200	\$ 4,120,400
Less Field Paid Prizes and Commissions.....	-2,260,901	-2,493,400	-2,539,000
Loan from the General Fund.....	0	50,000	0
Transfers and Earnings.....	164,478	178,042	149,250
Net Revenue Estimate.....	\$ 1,723,220	\$ 1,827,842	\$ 1,730,650
Prior Year Lapses.....	28,786	20,000	0
Total Receipts.....	\$ 1,752,006	\$ 1,847,842	\$ 1,730,650
Funds Available.....	\$ 2,029,179	\$ 1,937,636	\$ 1,846,587
Expenditures:			
Appropriated.....	\$ 1,950,688	\$ 1,826,499	\$ 1,822,856
Current Year Lapses.....	-11,303	-4,800	0
Estimated Expenditures.....	-1,939,385	-1,821,699	-1,822,856
Reserve for Current Year.....	\$ -75,000	\$ -75,000	\$ 0
Ending Balance.....	\$ 14,794	\$ 40,937	\$ 23,731

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	2015-16 Available
STATE SUPPLEMENTALS	
Aging	
Pharmaceutical Assistance Fund.....	\$ 15,000
Human Services	
Home and Community-Based Services.....	\$ -15,000
TOTAL SUPPLEMENTALS.....	<u>\$ 0</u>

Summary by Department

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimate	2016-17 Budget
Department of Aging			
General Government			
General Government Operations.....	\$ 7,927	\$ 9,058	\$ 9,272
Grants and Subsidies			
PENNCARE.....	\$ 299,306	\$ 309,917	\$ 317,311
Pre-Admission Assessment.....	10,735	16,135	16,135
Caregiver Support.....	12,103	12,103	12,103
Alzheimer's Outreach.....	250	250	250
Pharmaceutical Assistance Fund.....	155,000	190,000 ^a	220,000
Grants to Senior Centers.....	2,000	2,000	2,000
Subtotal.....	\$ 479,394	\$ 530,405	\$ 567,799
TOTAL STATE FUNDS.....	\$ 487,321	\$ 539,463	\$ 577,071
Federal Funds.....	\$ 0 ^b	\$ 0 ^b	\$ 0 ^b
Augmentations.....	314	193	323
DEPARTMENT TOTAL.....	\$ 487,635	\$ 539,656	\$ 577,394
Department of Human Services			
Grants and Subsidies			
Medical Assistance - Long-Term Care.....	\$ 309,081	\$ 184,081	\$ 184,081
Home and Community-Based Services.....	162,577	105,668 ^c	105,668
Medical Assistance - Transportation Services.....	4,900	4,900	3,300
DEPARTMENT TOTAL.....	\$ 476,558	\$ 294,649	\$ 293,049
Department of Revenue			
General Government			
General Operations.....	\$ 36,006	\$ 45,428	\$ 51,625
Lottery Advertising.....	40,004	44,000	44,000
Property Tax Rent Rebate - General Operations.....	13,558	14,909	15,224
On-line Vendor Commissions.....	39,010	39,854	42,522
Instant Vendor Commissions.....	31,907	34,015	31,625
Payment of Prize Money.....	359,353	297,099	298,958
Loan Repayment to General Fund.....	0	50,000	0
Subtotal.....	\$ 519,838	\$ 525,305	\$ 483,954
Grants and Subsidies			
Property Tax and Rent Assistance for Older Pennsylvanians.....	\$ 278,250	\$ 285,200	\$ 289,900
TOTAL STATE FUNDS.....	\$ 798,088	\$ 810,505	\$ 773,854
Augmentations.....	160	176	180
DEPARTMENT TOTAL.....	\$ 798,248	\$ 810,681	\$ 774,034

Summary by Department *(continued)*

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimate	2016-17 Budget
Department of Transportation			
Grants and Subsidies			
Transfer to Public Transportation Trust Fund.....	\$ 94,443	\$ 95,907	\$ 95,907
Older Pennsylvanians Shared Rides.....	82,975	85,975	82,975
DEPARTMENT TOTAL.....	\$ 177,418	\$ 181,882	\$ 178,882
TOTAL STATE FUNDS.....	\$ 1,939,385	\$ 1,826,499	\$ 1,822,856
Federal Funds.....	\$ 0	\$ 0	\$ 0
Other Funds.....	474	369	503
FUND TOTAL.....	\$ 1,939,859	\$ 1,826,868	\$ 1,823,359

^a Includes recommended supplemental appropriation of \$15,000,000.

^b Federal funding transferred from the Lottery Fund to the General Fund.

^c Includes recommended appropriation reduction of \$15,000,000.

Revenue Summary: Five Year Revenue Projections

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Collections.....	\$ 1,558,742	\$ 1,599,800	\$ 1,581,400	\$ 1,596,000	\$ 1,610,400	\$ 1,626,100	\$ 1,643,100
Gaming Fund Transfers.....	162,800	166,800	148,000	146,400	144,900	143,500	143,500
Miscellaneous Revenue.....	1,678	11,242	1,250	1,250	1,250	1,250	1,250
TOTAL LOTTERY FUND REVENUES.....	\$ 1,723,220	\$ 1,777,842	\$ 1,730,650	\$ 1,743,650	\$ 1,756,550	\$ 1,770,850	\$ 1,787,850

Revenue Sources

Net Lottery Collections

(Dollar Amounts in Thousands)

Actual	Estimated
2009-10..... \$ 1,332,576	2015-16..... \$ 1,599,800
2010-11..... 1,389,527	2016-17..... 1,581,400
2011-12..... 1,515,432	2017-18..... 1,596,000
2012-13..... 1,591,723	2018-19..... 1,610,400
2013-14..... 1,597,972	2019-20..... 1,626,100
2014-15..... 1,558,742	2020-21..... 1,643,100

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

The Lottery currently offers ten terminal-based games, in addition to dozens of instant games introduced throughout the year. The Pick 3 (formerly the Daily Number) was introduced in 1977; Pick 4 (formerly Big 4) debuted in 1980; Cash 5 was created in 1992; Pennsylvania joined Powerball, the state's first multi-state mega-jackpot game, in 2002; the first Millionaire Raffle debuted in 2005; Treasure Hunt began in 2007; Pick 5 (formerly Quinto) was introduced in 2008; Match 6 lotto originally debuted in 2004 and was re-introduced in 2010 after a one-year hiatus; Pennsylvania joined Mega Millions, the Lottery's second multi-state game, in 2010; and Pick 2 and Cash4Life were introduced in 2015. The 2016-17 budget presumes revenue growth by expanding points of distribution, optimizing the retailer network, continuing the growth of instant games, generating growth in terminal-based games by increase play value and implementing a number of modernization initiatives.

Pennsylvania Lottery ticket prices range from 50 cents to \$30 each. Lottery prizes up to \$2,500 can be paid by any one of approximately 9,050 Lottery retailers, while larger prizes must be paid through Lottery headquarters.

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

(Dollar Amounts in Thousands)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Ticket Sales.....	\$ 3,819,643	\$ 4,093,200	\$ 4,120,400	\$ 4,184,100	\$ 4,247,000	\$ 4,313,900	\$ 4,384,900
Commissions.....	-190,982	-204,700	-206,000	-209,200	-212,400	-215,700	-219,200
Field Paid Prizes.....	-2,069,919	-2,288,700	-2,333,000	-2,378,900	-2,424,200	-2,472,100	-2,522,600
NET LOTTERY COLLECTIONS.....	\$ 1,558,742	\$ 1,599,800	\$ 1,581,400	\$ 1,596,000	\$ 1,610,400	\$ 1,626,100	\$ 1,643,100

Revenue Sources *(continued)*

Gaming Fund Repayments

(Dollar Amounts in Thousands)

Actual		Estimated	
2009-10.....	\$ 40,000	2015-16.....	\$ 0
2010-11.....	9,900	2016-17.....	0
2011-12.....	0	2017-18.....	0
2012-13.....	0	2018-19.....	0
2013-14.....	0	2019-20.....	0
2014-15.....	0	2020-21.....	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

(Dollar Amounts in Thousands)

Actual		Estimated	
2009-10.....	\$ 136,700	2015-16.....	\$ 166,800
2010-11.....	156,000	2016-17.....	148,000
2011-12.....	164,100	2017-18.....	146,400
2012-13.....	166,800	2018-19.....	144,900
2013-14.....	166,500	2019-20.....	143,500
2014-15.....	162,800	2020-21.....	143,500

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

Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
2009-10.....	\$ 1,110	2015-16.....	\$ 11,242
2010-11.....	6,000	2016-17.....	1,250
2011-12.....	14,067	2017-18.....	1,250
2012-13.....	16	2018-19.....	1,250
2013-14.....	1,899	2019-20.....	1,250
2014-15.....	1,678	2020-21.....	1,250

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

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Commonwealth of Pennsylvania

Governor's Executive Budget

TAX EXPENDITURES

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

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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 2016-17 Governor’s Executive Budget presents this tax expenditure analysis covering commonwealth taxes with annual receipts of at least \$20 million. A complete list of covered taxes is shown in the Table of Contents. The intended purposes of the current analyses are to:

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

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

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

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

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

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

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

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

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

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

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

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

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

CREDIT PROGRAMS

NEIGHBORHOOD ASSISTANCE PROGRAMS

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

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

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

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

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

The estimate for fiscal year 2014-15 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 17.7	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0	\$ 18.0

Beneficiaries: Approximately 155 companies and 90 individuals doing business in Pennsylvania benefit from this tax expenditure.

JOB CREATION TAX CREDIT

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

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

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

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

The estimate for fiscal year 2014-15 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1	\$ 10.1

Beneficiaries: Approximately 60 companies and 65 individuals doing business in Pennsylvania benefit from this tax expenditure.

RESEARCH AND DEVELOPMENT TAX CREDIT

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

Description: Act 7 of 1997 established a Research and Development Tax Credit equal to 10 percent of the increase in qualified research expenses for the current taxable year over a base period. For credits issued beginning in December 2006, the credit equals 20 percent of the increase in qualified research expenses for the current taxable year over a base period for small businesses only. The credit may be applied against the corporate net income tax, capital stock/foreign franchise tax, personal income tax, or any combination thereof. Unused credits may be carried forward 15 taxable years, or sold or assigned to other taxpayers. Act 85 of 2012 extended the Research and Development Tax Credit to taxable years ending before January 1, 2016. The credit is not available for tax years ending after that date.

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 2014-15 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 55.0	\$ 55.0	\$ 55.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

Beneficiaries: Approximately 765 companies performing qualified research and development in Pennsylvania benefit from this tax expenditure.

KEYSTONE OPPORTUNITY ZONE

Authorization: Act of October 6, 1998 (P.L. 702, No. 92), as amended.

Description: The Department of Community and Economic Development (DCED) has designated specific areas of deteriorated property as Keystone Opportunity Zones (KOZs), Keystone Opportunity Expansion Zones (KOEZs), and Keystone Opportunity Improvement Zones (KOIZs).

Economic activity occurring in these zones is exempt from most local taxation for a period of up to 15 years beginning with the creation of the particular zone. In addition to benefiting from a limited state sales and use tax exemption, zone residents and qualified businesses are exempt from the following state taxes: personal income, corporate net income, capital stock/foreign franchise, bank shares, and mutual thrift institutions taxes. In addition, qualified businesses may receive credits against insurance premiums tax for jobs created in a zone. The tax expenditure is the value of all the credits and the state taxes waived within the zone.

Several acts have changed the KOZ statute over the years. The most recent act, Act 16 of 2012, allowed communities to extend benefits to unoccupied parcels for seven to ten years in existing zones. Further, Act 16 provided for the expansion of four additional undesignated KOEZs and the creation of 15 new zones for a 10 year exemption period provided the 15 new zones meet certain criteria regarding underutilization, job creation, or capital investment. Lastly, Act 16 permitted communities to expand parcels within an existing zone if the expansion is expected to increase job creation or capital investment. The benefits for expanded parcels are limited to 15 acres per zone for a period of 10 years. The extension of benefits under Act 16 became effective in calendar year 2013.

Purpose: This program provides tax relief to economically distressed urban and rural communities in an attempt to revive these areas.

Administrative Costs: Costs to administer the Keystone Opportunity Zone program are borne by the Department of Revenue and the Department of Community and Economic Development. Estimated costs for both departments total \$0.5 million annually.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 80.5	\$ 79.3	\$ 78.0	\$ 78.6	\$ 78.7	\$ 77.9	\$ 78.5

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

EDUCATIONAL TAX CREDITS

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

Description: Act 194 of 2014 created the Educational Tax Credits (ETC) program by consolidating both the Educational Improvement Tax Credit (EITC) and the Educational Opportunity Scholarship Tax Credit (EOSTC) in Article XVII-F of the Tax Reform Code. Act 194 of 2014 repealed Article XVII-G.1 of the Tax Reform Code containing the EOSTC. The total tax credits awarded under the ETC program are equal to the combined total of the EITC and EOSTC. The total tax credits that can be awarded in a fiscal year under the EITC is \$100 million, and the total tax credits that can be awarded in a fiscal year under the EOSTC is \$50 million, for a total combined tax credits that can be awarded under the ETC program of \$150 million per fiscal year. Act 194 of 2014 made numerous administrative changes to the ETC programs in order to make the program more flexible in awarding the tax credits and how they may be utilized. The tax credits awarded under the ETC program may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, mutual thrift institutions tax, and malt beverage tax. In addition, the tax can be distributed through more than one level of pass-through entities and can be applied to the personal income tax of a spouse filing a joint return.

Educational Improvement Tax Credit (EITC)

The Educational Improvement Tax Credit (EITC) is available to banks, thrift institutions, title insurance and trust companies, insurance companies, and corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/foreign franchise tax, as well as S corporations and other pass-through entities that contribute to nonprofit scholarship organizations or educational improvement organizations approved by the Department of Community and Economic Development (DCED). The tax credit is granted to business firms providing proof of a contribution to a scholarship organization or an educational improvement organization equal to 75 percent of the total amount contributed during the taxable year. The tax credit must be applied in the taxable year the contribution is made. Any unused portion of the tax credit may not be carried forward or back, refunded, or transferred. A tax credit equal to 90 percent of the total amount contributed is granted if the business provides a written commitment to DCED to contribute the same amount for two consecutive tax years. The annual limit per taxpayer is \$750,000 per fiscal year for contributions to scholarship organizations and educational improvement organizations. The annual limit per taxpayer is \$200,000 per fiscal year for contributions to pre-kindergarten scholarship organizations. The tax credit shall not exceed the tax liability of a business for any given taxable year.

The estimate for fiscal year 2014-15 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 99.4	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0

Beneficiaries Approximately 2,340 companies, 3,260 individuals, and 890 scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations benefit from this tax expenditure.

Educational Opportunity Scholarship Tax Credit (EOSTC)

Educational Opportunity Scholarship Tax Credit for business firms is equal to 75 percent of the amount contributed to a scholarship organization during a taxable year or 90 percent if the business firm provides a written commitment to provide the scholarship organization with the same amount of contribution for two consecutive tax years. Scholarship organizations providing financial assistance to eligible students in low-achieving schools must be approved by the Department of Community and Economic Development in order to participate in the program.

The credit may not exceed \$750,000 annually per business firm. The estimate for fiscal year 2014-15 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

Purpose: This program encourages taxpayers to contribute to scholarship organizations in order to promote expanded educational opportunities for students in low-achieving schools.

Administrative Costs: Costs to administer the Educational Opportunity Scholarship Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Department of Revenue and the Department of Education. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 49.9	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0

Beneficiaries: Approximately 430 taxpayers will benefit from this tax expenditure.

KEYSTONE INNOVATION ZONE

Authorization: Act of February 12, 2004 (P.L. 99, No. 12).

Description: Act 12 of 2004 created the Keystone Innovation Zone (KIZ) program to foster growth in targeted industry segments, namely research and development and other high technology businesses. The zones are defined parcels operated by a partnership of business groups and institutions of higher education.

Qualified businesses operating in a zone are entitled to priority consideration for assistance under a number of state programs, as well as a tax credit. A KIZ company may apply to the Department of Community and Economic Development for a tax credit equal to 50 percent of the increase in its gross revenues from the previous year attributable to its activities in a zone. A KIZ company may not claim in excess of \$100,000 in tax credits per year. No more than \$25 million in tax credits may be awarded in any taxable year.

KIZ companies may apply KIZ tax credits against personal income tax, corporate net income tax, or capital stock/foreign franchise tax liabilities.

KIZ companies may apply for KIZ tax credits beginning September 15, 2006, based on expenses from the prior taxable year. The Department of Community and Economic Development began awarding credits during fiscal year 2006-07. Act 16 of 2012 permits the expansion of an existing KIZ if the expansion is expected to increase job creation or capital investment. Benefits for expanded parcels are limited to 15 acres for a period of 10 years.

The estimate for fiscal year 2014-15 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 17.1	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0

Beneficiaries: Approximately 230 taxpayers will benefit from this expenditure.

FILM PRODUCTION TAX CREDIT

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

Description: Act 95 of 2004 created a tax credit equal to 20 percent of qualified film production expenses incurred in Pennsylvania after June 30, 2004. Under Act 95, the total amount of tax credits that could be awarded in any fiscal year was \$10 million. Beginning in fiscal year 2006-07, the credit program was replaced with a grant program.

Act 55 of 2007 created a new film tax credit in the amount of 25 percent of qualified film production expenses incurred in Pennsylvania after fiscal year 2006-07. A taxpayer is eligible for an additional tax credit of five percent if the production is filmed in a qualified production facility that meets all minimum stage filming requirements. The tax credit may be used to offset capital stock/foreign franchise tax, corporate net income tax, personal income tax, bank shares tax, or insurance premiums tax. To qualify, the expenses must have been incurred in the production of a film, television commercial, or certain television shows intended for a national audience. At least 60 percent of total production expenses must have been incurred in Pennsylvania; however, the Department of Community and Economic Development may waive this requirement under certain circumstances.

Under Act 55 of 2007, the total amount of tax credits that could be awarded in any fiscal year was \$75 million. Act 48 of 2009 reduced the amount of tax credits that could be awarded in fiscal years 2009-10 and 2010-11 to \$42 million and \$60 million, respectively. Act 26 of 2011 permanently reduced the tax credit cap to \$60 million.

Act 52 of 2013 made clarifications and technical changes to the program. More specifically, it clarified the term "start date," and provided that credits purchased or assigned in 2013 or 2014 could be carried forward to 2014 and 2015, respectively.

The estimate for fiscal year 2014-15 reflects actual credits awarded under the program for that period. The estimates for future fiscal years reflect the program cap, including the impact of Act 26 of 2011.

Purpose: This tax credit provides an incentive for filmmakers to produce films and television shows in Pennsylvania.

Administrative Costs: The Department of Community and Economic Development will incur the costs of awarding, reviewing, and approving the sale or transfer of credit. Estimated costs total \$0.1 million.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0	\$ 60.0

Beneficiaries: Approximately 33 film projects will benefit from this expenditure.

ALTERNATIVE ENERGY PRODUCTION TAX CREDIT

Authorization: Act 1 of the Special Session of July 9, 2008

Description: Act 1 of the Special Session of 2008 created the Alternative Energy Production Tax Credit. Taxpayers that develop or construct energy production projects located within the commonwealth, which have a useful life of at least four years, may apply to the Department of Environmental Protection for a tax credit beginning in September 2009. The amount of the tax credit may be up to 15 percent of the amount paid for the development and construction of alternative energy production projects but may not exceed \$1 million per taxpayer. Unused portions of the tax credit may be carried forward for up to five taxable years from the year in which the credit is awarded. Credits may not be carried back. Additionally, taxpayers may sell or assign unused portions of the tax credit upon approval by the Department of Revenue and the Department of Environmental Protection. The total amount of tax credit that can be awarded is from \$2 million to \$10 million per fiscal year, depending on the fiscal year.

The estimates for 2014-15 reflect actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

Purpose: The purpose of this tax credit is to create an incentive to develop alternative energy sources within the commonwealth.

Administrative Costs: Costs to administer the Alternative Energy Production Tax Credit program are borne by the Department of Environmental Protection and the Department of Revenue.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 2.0	\$ --	\$ --	\$ --	\$ --	\$ --

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

STRATEGIC DEVELOPMENT AREAS

Authorization: Act 151 of November 20, 2006

Description: The Strategic Development Areas (SDA) program was established in 2006 to provide incentives for economic development in designated areas. Act 151 of 2006 created the program to provide tax relief and tax credits to qualified companies within the SDA. The designation would be effective for a 15 year period and must be approved by the political subdivision in which it is located. By waiving these taxes for a series of years, the program hopes to foster growth in those areas. The Department of Community and Economic Development administers the program for the commonwealth.

Among the state taxes waived by the program are corporate net income, capital stock/foreign franchise, and personal income. Insurance companies and certain regulated transportation companies may earn tax credits based on the number of jobs created in a zone. Businesses operating in a zone are exempted from paying sales and use tax on items purchased for consumption in the area. At the local level, property taxes, earned income and net profit taxes, mercantile license tax, and local sales and use tax are waived for area businesses. Tax benefits may not extend beyond December 31, 2022.

Purpose: This program provides incentives for economic development in designated areas to foster growth.

Administrative Costs: Costs to administer the Strategic Development Areas program are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs for both departments total \$0.1 million per year.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: A nominal 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 shares tax, insurance premiums tax, and mutual thrift institutions tax. Credits for legacy sediment cannot be issued prior to July 1, 2008. Credits were first awarded in fiscal year 2007-08. Act 48 of 2009 reduced the amount of tax credits to be awarded in fiscal years 2009-10 and 2010-11 by 50 percent and 55 percent, respectively.

The estimate for fiscal year 2014-15 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 9.5	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

Beneficiaries: Approximately 115 businesses and 205 individuals will benefit from this tax expenditure.

KEYSTONE SPECIAL DEVELOPMENT ZONE TAX CREDIT

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

Description: Act 26 of 2011 created the Keystone Special Development Zone Tax Credit. The tax credit is available only to taxpayers with operations located on parcels of real property certified as Brownfields pursuant to the Land Recycling and Environmental Remediation Standards Act. The tax credit is equal to \$2,100 for each full-time equivalent employee working in the zone beginning in tax year 2012. The tax credit is available for 10 consecutive tax years during the 15 year period the tax credit will be in existence, ending June 30, 2026. The tax credit may not exceed the qualified tax liability and may be carried forward for up to 10 years. Jobs used to claim this tax credit may not be used to claim the Keystone Opportunity Zone Tax Credit or the Job Creation Tax Credit. The tax credit can be used against personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

PENNSYLVANIA RESOURCE MANUFACTURING TAX CREDIT

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

Description: Act 85 of 2012 created the Pennsylvania Resource Manufacturing Tax Credit for an entity purchasing ethane for use in an ethylene manufacturing facility in the commonwealth that has made a capital investment of at least \$1 billion and created at least 2,500 full-time jobs. The tax credit is equal to \$0.05 per gallon of ethane purchased (\$2.10/barrel) for the period from January 1, 2017 to December 31, 2042. The tax credit may be used to offset 20 percent of a taxpayer's liabilities for personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, gross receipts 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ --	\$ --	\$ --	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0

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

HISTORIC PRESERVATION INCENTIVE TAX CREDIT

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

Description: Act 85 of 2012 established the Historic Preservation Incentive Tax Credit for qualified taxpayers owning a Pennsylvania commercial building that qualifies as a certified historical structure according to the Internal Revenue Code. The tax credit is equal to 25 percent of the costs and expenses associated with a plan to rehabilitate a historic structure that is approved by the Pennsylvania Historical and Museum Commission or costs and expenses defined as qualified rehabilitation expenditures under the Internal Revenue Code. The tax credit may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, gross premiums tax, and/or mutual thrift institutions tax. The tax credit may not be carried back or used to obtain a refund, but it may be carried forward for up to seven taxable years following the first taxable year for which the taxpayer was entitled to claim the credit. A taxpayer without a qualified tax liability can apply to the Department of Community and Economic Development for approval to assign or sell eligible credits to another taxpayer. Purchasers and assignees of a tax credit must immediately claim the credit in the taxable year in which the purchase or assignment is made.

The tax credit is capped at \$3 million dollars annually and \$500,000 per taxpayer. The first and last years that the credit may be applied to are fiscal years 2013-14 and 2020-21, respectively. The estimates for future fiscal years reflect the program cap.

Purpose: This program encourages taxpayers to rehabilitate and preserve commercial buildings with historical value.

Administrative Costs: Costs to administer the Historic Preservation Incentive Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Pennsylvania Historical and Museum Commission and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0

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

COMMUNITY- BASED SERVICES TAX CREDIT

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

Description: Act 85 of 2012 established Community-Based Services Tax Credit for contributions made by business firms to providers of community-based services for individuals with intellectual disabilities, mental illness, or drug and alcohol addiction. Providers must be a nonprofit entity that provides community-based services to individuals exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code and be approved by the Department of Community and Economic Development.

The credit is equal to 50 percent of contributions made to a provider. This amount may be increased to 75 percent for business firms that contribute to a provider in two or more successive years. The tax credit may be applied to the personal income tax, corporate net income tax, capital stock/foreign franchise tax, bank shares tax, title insurance company shares tax, insurance premiums tax, and/or mutual thrift institutions tax. Tax credits may not be carried forward, carried back, and are not refundable or transferable.

The total amount of credits per business firm cannot exceed \$100,000 annually, and the total aggregate amount of all credits approved cannot exceed \$3 million in a fiscal year. The first and last years that the credit may be applied to are fiscal years 2013-14 and 2020-21, respectively. The estimates for future fiscal years reflect the program cap.

Purpose: This program encourages taxpayers to contribute to providers community-based services.

Administrative Costs: Costs to administer the Community-Based Services Tax Credit program are primarily borne by the Department of Community and Economic Development along with the Department of Human Services and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0

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

PROMOTING EMPLOYMENT ACROSS PENNSYLVANIA PROGRAM

Authorization: Act 206 of October 25, 2012.

Description: Act 206 of October 25, 2012 created the Promoting Employment Across Pennsylvania Program (PEP) for businesses located in the commonwealth who create 250 new jobs within five years from entering into the program. PEP allows qualified businesses to retain 95 percent of the qualified company's withholding taxes for individuals employed in the new jobs. The new employees must be compensated at a rate equal to at least 100 percent of the county average wage, and depending on the compensation rates, the company may retain the withholding for seven to ten years. In order to qualify, a company must offer health insurance to its employees and pay at least 50 percent of the premium. Certain industries are specifically excluded from participating in the program, including the gambling industry, religious organizations, retail trade, educational services, public administration, utilities, and food services and drinking places.

The Department of Community and Economic Development is charged with administering the program, which has an annual cap of \$5 million. The impact of the program is divided between General Fund revenues and refunds because the Act gives businesses the option of remitting withholding in its entirety to the Department of Revenue and then receiving the benefits under the Act as a refund. Those businesses that choose to remit all withholding to the Department of Revenue will be assessed a \$15 fee per employee. No new businesses may enter the program after January 1, 2018.

The estimate for fiscal year 2014-15 reflects actual credits awarded under the program. The estimates for future fiscal years reflect the program cap.

Purpose: This program provides an incentive to businesses to create new jobs within the commonwealth.

Administrative Costs: Costs to administer the Promoting Employment Across Pennsylvania Program are borne by the Department of Community and Economic Development and the Department of Revenue.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0

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

MOBILE TELECOMMUNICATIONS BROADBAND INVESTMENT TAX CREDIT

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

Description: Act 52 of 2013 created the Mobile Telecommunications Broadband Investment Tax Credit. Taxpayers that are a provider of mobile communications services shall be allowed a tax credit against their corporate net income tax for investment in qualified broadband equipment placed into service in Pennsylvania.

The amount of the tax credit is five percent of the purchase price of qualified broadband equipment put into service during the taxable year. The maximum amount of approved tax credits shall not exceed \$5 million in any fiscal year, nor may they exceed 50 percent of a taxpayer's corporate net income tax liability.

Any credit claimed and not used in the taxable year may be carried forward for no more than five consecutive tax years. Affiliated shareholders, members, or partners of pass-through entities that receive unused credits from the pass-through entity are required to use the tax credit immediately. They are not allowed to carry forward, carry back, obtain a refund, or sell the tax credit.

The credit was first awarded for tax year 2014. The estimate for fiscal year 2015-16 reflects actual credits awarded. The amounts for future fiscal years reflect the program cap.

Purpose: The tax credit is intended to encourage investment in mobile broadband services by the mobile telecommunications industry.

Administrative Costs: Costs to administer the Mobile Telecommunications Broadband Investment Tax Credit are borne by the Department of Revenue.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ --	\$ 0.3	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0	\$ 5.0

Beneficiaries: A minimal number of taxpayers will benefit from this tax expenditure.

ORGAN AND BONE MARROW DONOR TAX CREDIT

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

Description: Act 193 of 2014 reestablished the Organ and Bone Marrow Donor Tax Credit as part of the Tax Reform Code retroactively for tax year 2011 and forward. Applications for tax credits must be filed by the 15th day of the fourth month following the close of the business firm's taxable year. Act 65 of 2006 created the original Organ and Bone Marrow Donor Tax Credit as a stand-alone act. It expired in 2010. The tax credit is available for business firms subject to the personal income tax, corporate net income tax, capital stock/franchise tax, bank and trust company shares tax, title insurance companies shares tax, insurance premiums tax, or mutual thrift institutions tax. The amount of the credit is equal to the employee compensation paid during the leave of absence, the cost of temporary replacement help, and any miscellaneous expenses authorized by regulation incurred with the leave of absence period. Credits cannot be applied against employer withholding tax under Article III. Credits can be carried forward for three taxable years; however, they cannot be carried back to previous taxable years, and they are not refundable. The credit against personal income tax may be passed through proportionately to the shareholders of S corporations, members of limited liability companies, or partners.

Purpose: The purpose of these provisions is to create a greater willingness to donate organs and/or bone marrow through employer tax credits and public education.

Administrative Costs: Costs to administer the Organ and Bone Marrow Tax Credit program are borne by the Department of Revenue. Estimated costs are expected to total \$0.1 million per year.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: A nominal number of taxpayers will benefit from this tax expenditure.

EXEMPTIONS FOR OUT-OF-STATE ENTITIES DURING A DECLARED EMERGENCY

Authorization: Act 203 of October 31, 2014

Description: Act 203 of 2014 provides that out-of-state businesses responding to a disaster emergency declared by the Governor of Pennsylvania or the President of the United States would not be subject to: state or local business licensing or registration; PUC or regulatory requirements; state and local taxes/fees, such as unemployment insurance, sales and use tax, property tax on equipment brought in on a temporary basis, used or consumed in the commonwealth during the disaster emergency, and subsequently removed from the commonwealth, state or local occupational licensing fees or local service taxes; and state or local tax on or measured by, in whole or in part, net or gross income or receipts.

An out-of-state employee shall not be considered to have established residency that would require the individual or the employer to do the following: file and pay income taxes; be subjected to income tax withholding; or file and pay any other state or local tax or fee for disaster emergency-related work performed during the period designated.

These exemptions apply to an out-of-state business who performs work for a period of not more than 10 days before and not more than 60 days after the end of a declared disaster emergency period, and the business must be in compliance with all applicable regulatory and licensing requirements in its state of domicile. The exemption period may be extended by the Governor for a period of not more than 30 days for each declared disaster emergency.

Purpose: These exemptions encourage out-of-state individuals and businesses to respond to declared disasters in Pennsylvania by making the tax administration process simpler.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	--	NA	NA	NA	NA	NA	NA

Beneficiaries: An unknown number of individuals and businesses will benefit from this expenditure.

CORPORATION TAXES

Administrative Costs: Costs to administer various tax expenditures associated with the corporation taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits, as well as legal rulings, pronouncements, and bulletins. Tax expenditures also contribute significantly to the tax appeals process.

(Dollar Amounts in Millions)

Estimates:	Corporate Net Income Tax and Capital Stock/Foreign Franchise Tax:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 3.0	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3
	Selective Business Taxes:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 59.6	\$ 60.5	\$ 61.5	\$ 62.4	\$ 63.4	\$ 64.4	\$ 65.4

Beneficiaries: Approximately 2,530 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

SALES FACTOR APPORTIONMENT WEIGHT

Description: Beginning in tax year 1995, corporations apportioned their net income using a three-factor formula (payroll, property, and sales) that double-weighted the sales factor. Beginning with Act 4 of 1999, there have been several acts that have steadily increased the weighting of the sales factor in the apportionment formula. Act 85 of 2012 increased the sales factor weight to 100 percent for tax years 2013 and after. Property and payroll are no longer factors in the apportionment formula.

Act 52 of 2013 modified the sourcing of sales for calculating the apportionment of income. Sales of real property, tangible property, and services will be sourced at the location of the customer instead of the location of the "income producing activity." The same act also established a new apportionment formula for providers of satellite television services based on the value of equipment used in generating, processing, or transmitting satellite telecommunications. Both provisions are effective January 1, 2014.

Purpose: Corporations with a higher percentage of property and payroll invested in Pennsylvania (compared to their percentage of sales in Pennsylvania) will have less taxable income apportioned to the commonwealth. Therefore, those corporations will have a reduced tax burden. This encourages business investment in Pennsylvania in the form of property and employment.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 759.8	\$ 663.1	\$ 637.6	\$ 623.2	\$ 615.0	\$ 606.9	\$ 598.8

Beneficiaries: More than 34,600 corporations are affected by this expenditure. Of those, 7,700 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.7	\$ 2.8	\$ 2.8	\$ 2.9	\$ 2.9	\$ 3.0	\$ 3.1

Beneficiaries: Approximately 1,640 taxpayers representing eating and drinking establishments could benefit from this tax expenditure.

NET OPERATING LOSS CARRYFORWARD

Description: Corporations may deduct from current taxable income the net losses from previous years to arrive at their tax liability. Beginning with Act 45 of 1998, the carryforward period has increased from three years to 20 years. Act 89 of 2002 increased the carryforward to 20 years for losses incurred in the 1998 taxable year and thereafter. Various acts have increased the annual cap on deductions. Most recently, Act 48 of 2009 amended the annual cap on deductions to \$3 million or 20 percent of taxable income, whichever is greater. Act 52 of 2013 further increased the annual amount for the cap on deductions. For tax year 2014, the annual cap on deductions is \$4 million or 25 percent of taxable income, whichever is greater. For tax year 2015 and beyond, the annual cap on deductions is \$5 million or 30 percent of taxable income, whichever is greater.

Purpose: This deduction reduces the tax burden for a period of time after an operating loss period, thereby aiding a corporation that has returned to economic viability as measured by taxable income.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 367.9	\$ 389.5	\$ 407.4	\$ 421.8	\$ 436.2	\$ 450.6	\$ 464.9

Beneficiaries: Approximately 14,800 businesses per year benefit from this tax expenditure.

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Act 40 of 2005 excluded non-profit nonstock commodity or stock exchanges from the definition of a corporation for corporate net income tax purposes. This provision applies retroactively to taxable years beginning after December 31, 1997.

Purpose: This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

PENNSYLVANIA S CORPORATIONS

Description: Corporations with a valid Pennsylvania S corporation election in effect for the taxable year are subject to corporate net income tax only to the extent that they have net recognized built-in gains. Pennsylvania S corporation shareholders must include their distributive share of Pennsylvania S corporation income for Pennsylvania income tax purposes. The tax expenditure is the difference between what is paid by the shareholders under the personal income tax and what the corporations would have paid had they been fully subject to the corporate net income tax. Beginning with Act 7 of 1997, there have been several acts that have linked the Pennsylvania tax treatment of S corporations more closely with federal law.

Purpose: Sub-chapter S corporations are closely-held corporations and are believed to be major job creators. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 848.5	\$ 845.2	\$ 847.1	\$ 842.6	\$ 837.3	\$ 834.5	\$ 832.1

Beneficiaries: Approximately 162,400 sub-chapter S corporations doing business in Pennsylvania could benefit from this tax expenditure.

LIMITED LIABILITY COMPANIES (LLCs)

Description: Limited liability companies (LLCs) are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. LLCs that are not taxed as corporations for federal purposes are exempt from the Pennsylvania corporate net income tax. Members of the LLC must include their share of the LLC's income for Pennsylvania personal income tax purposes or corporate net income tax (if a corporate member). The tax expenditure is the difference between what is paid by the members under the personal income tax and corporate net income tax and what the LLC entities would have paid under the corporate net income tax. Various acts through the years have clarified the tax treatment of LLCs and types of companies that can organize as LLCs.

Purpose: LLCs are a preferred type of business entity for start-up companies. They combine the limited liability of a corporation with the flexibility of a partnership. This provision allows tax treatment that is similar to that of the Internal Revenue Service and most other states for these businesses.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 554.9	\$ 553.7	\$ 557.4	\$ 556.4	\$ 554.8	\$ 554.9	\$ 555.2

Beneficiaries: As many as 128,800 companies doing business in Pennsylvania benefit from this tax expenditure.

POWDERED METALLURGY NEXUS

Description: Act 55 of 2007 created a nexus exemption for the out-of-state customers of Pennsylvania powdered metallurgy parts manufacturers. This nexus exemption applies retroactively to taxable years beginning after December 31, 2004, as well as taxable years to which there is an appeal prior to the effective date.

Purpose: This nexus exemption ensures that Pennsylvania powdered metallurgy parts manufacturers will not lose business due to a concern that out-of-state customers may be unduly subject to Pennsylvania taxation only for contracting with such a company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</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 mills of the tax to the Hazardous Sites Cleanup Fund (HSCF). Beginning in fiscal year 2002-03, the HSCF transfer will only occur if the balance in the HSCF is expected to fall below \$5 million. Act 77 of 2007 amended the HSCF transfer, setting it at \$40 million per fiscal year, beginning in fiscal year 2008-09.

Beginning with Act 45 of 1998, there have been various acts that have decreased the capital stock/foreign franchise rate. The most recent legislation, Act 52 of 2013 delayed elimination of the capital stock/foreign franchise tax for two years. The rate for tax year 2014 is 0.67 mills. The rate is further reduced to 0.45 mills for tax year 2015. The tax is then eliminated for all tax years beginning after December 31, 2015.

The estimates in this analysis include only the General Fund portion of the tax and reflect the current phase-out of the tax. Various types of assets are exempt from tax. The valuation of capital stock is not affected by these exemptions, but the exemptions are reflected in apportionment formulas used to compute the percentage of the capital stock value base actually subject to tax.

NONPROFIT CORPORATIONS

Description: Nonprofit corporations are exempt from the capital stock/foreign franchise tax. Act 7 of 1997 provided that any nonprofit corporation or entity that is an exempt organization as defined by section 501 of Internal Revenue Code of 1986 (P.L. 99-514, 26 U.S.C.) is exempt. Act 4 of 1999 provided that insurance and travel agency activities carried on by an auto club are subject to the capital stock/foreign franchise tax. The same act restored exempt status to homeowners associations and membership organizations. The estimates below are based on unrelated business income taxed by the federal government.

Purpose: This exemption provides tax relief to nonprofit corporations including religious, charitable, educational, and scientific organizations that are perceived as providing social benefits.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.2	\$ 2.4	\$ 0.5	\$ 0.1	Nominal	\$ --	\$ --

Beneficiaries: Approximately 4,600 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	\$ --	\$ --

Beneficiaries: Approximately 830 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 64.0	\$ 37.7	\$ 8.1	\$ 1.8	Nominal	\$ --	\$ --

Beneficiaries: Approximately 4,600 corporations operating in Pennsylvania benefit from this tax expenditure.

APPORTIONMENT FORMULA

Description: Corporations that have multistate operations have the option of using either a single-factor or a three-factor formula to compute the portion of the capital stock value that is subject to tax. The single-factor formula is based on the ratio of the book value of taxable assets to the book value of total assets. The three-factor formula is based on property, payroll, and sales within and without Pennsylvania. Historically, only domestic corporations were permitted to choose the single-factor apportionment method until the Pennsylvania Supreme Court ruled that foreign corporations must be allowed the same option.

Act 52 of 2013 modified the sourcing of sales for calculating the apportionment of income. Sales of real property, tangible property, and services will be sourced at the location of the customer instead of the location of the "income producing activity."

Purpose: This option provides tax relief to those corporations with considerable tangible investment in the commonwealth and thereby encourages corporate investment in Pennsylvania.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 40.5	\$ 23.8	\$ 5.1	\$ 1.2	Nominal	\$ --	\$ --

Beneficiaries: Approximately 8,000 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.1	Nominal	Nominal	Nominal	Nominal	\$ --	\$ --

Beneficiaries: A nominal number of companies doing business in Pennsylvania benefit from this tax expenditure.

DEDUCTION FROM THE FIXED FORMULA

Description: Act 48 of 2009 establishes that for tax years beginning in 2010 and thereafter, corporations may deduct \$160,000 from the capital stock value which is then subject to apportionment to determine the taxable base. The valuation deduction was \$150,000 for tax years 2007 through 2009. The valuation deduction for tax years 1997 through 2006 was \$125,000. The valuation deduction was \$100,000 for tax years 1995 and 1996.

Purpose: This exemption provides a tax-free portion of capital stock value for corporations, particularly beneficial to new businesses realizing little or no profit during their early years.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 14.0	\$ 8.1	\$ 1.6	\$ 0.3	Nominal	\$ --	\$ --

Beneficiaries: Approximately 280,200 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 45.0	\$ 26.5	\$ 5.7	\$ 1.3	Nominal	\$ --	\$ --

Beneficiaries: Approximately 490 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.1	\$ 0.1	Nominal	Nominal	Nominal	\$ --	\$ --

Beneficiaries: At least 220 RICs, REITs, and other related entities doing business in Pennsylvania benefit from this tax expenditure. In addition, an unknown number of corporations may benefit from the provisions of Act 232 of 2002.

RESTRICTED PROFESSIONAL COMPANIES

Description: Restricted professional companies (RPCs) are limited liability companies (LLCs) performing restricted professional services. LLCs are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine, podiatry medicine, public accounting, psychology, and veterinary medicine. These types of businesses give members the protection of limited liability for the neglect of another member. RPCs are exempt from the capital stock/foreign franchise tax. However, an annual fee of \$380 per resident member is imposed under the Associations Code, \$25 of which is credited to the Corporation Bureau's restricted account. Act 67 of 2006 eliminated single member restricted professional companies from being subject to the capital stock and franchise tax unless they are classified as a corporation for federal income tax purposes, effective for tax years beginning after December 31, 2005.

The cost estimates shown below only reflect the cost of the single member RPC exemption.

Purpose: RPCs perform valuable professional services for citizens of the commonwealth.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.0	\$ 1.2	\$ 0.2	Nominal	Nominal	\$ --	\$ --

Beneficiaries: Approximately 3,400 companies doing business in Pennsylvania benefit from this tax expenditure.

EXEMPTION FOR STUDENT LOAN ASSETS

Description: Act 45 of 1998 provided that student loan related assets owned or held by a trust or other entity formed for the securitization of student loans are exempt from capital stock/foreign franchise tax. This provision is effective for tax years beginning on or after January 1, 1998.

Purpose: This program exempts student loan related assets held by loan securitization trusts from the capital stock/foreign franchise tax to conform with the commonwealth public policy of promoting higher education.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	\$ --	\$ --

Beneficiaries: A nominal 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	\$ --	\$ --

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

NON-PROFIT NONSTOCK COMMODITY OR STOCK EXCHANGE

Description: Non-profit nonstock commodity or stock exchanges are excluded from the definition of a corporation for capital stock/foreign franchise tax purposes. This provision applies to taxable years beginning after December 31, 1997.

Purpose: This exemption provides tax relief for non-profit nonstock commodity or stock exchanges.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	\$ --	\$ --

Beneficiaries: A nominal 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	\$ --	\$ --

Beneficiaries: A minimal number of corporate taxpayers benefit from this tax expenditure.

GROSS RECEIPTS TAX

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

The gross receipts tax is imposed on the following companies conducting business in Pennsylvania: pipeline, conduit, steamboat, canal, slack water navigation and transportation companies; freight or oil transporters; telephone and telegraph companies; express service, palace car or sleeping car companies; and electric light, water power and hydroelectric energy companies and managed care organizations. The tax collected from managed care organizations is not deposited in the General Fund. Municipalities are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight, and oil transported within the commonwealth; as well as intrastate and interstate telephone and telegraph messages transmitted on land line or cellular systems. A tax is levied at 44 mills on the sale of electric energy. The 44 mill tax rate on sales of electric energy was subject to change based on the revenue neutral reconciliation (RNR) tax rate calculated annually pursuant to Act 138 of 1996, which governs the restructuring of the electric utility industry in Pennsylvania. Act 89 of 2002 established the permanent RNR tax rate at 15 mills for tax years beginning January 1, 2003 and thereafter. The sale of natural gas was subject to the gross receipts tax before Act 4 of 1999 repealed these provisions, effective January 1, 2000.

MUNICIPALLY-OWNED PUBLIC UTILITIES

Description: Gross receipts of public utilities owned or operated by a municipality are exempt from tax to the extent the gross receipts are derived from business done inside the limits of the municipality. The figures for this expenditure are at the statutory utilities gross receipts tax rates applicable to the appropriate tax year.

Purpose: This tax relief encourages municipalities to develop and invest in public utility services and supplemental energy sources including cogeneration facilities. It also benefits residents to the extent the tax relief is reflected through lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 11.1	\$ 11.2	\$ 11.3	\$ 11.4	\$ 11.5	\$ 11.6	\$ 11.7

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

NUCLEAR GENERATING FACILITY DAMAGE

Description: Gross receipts derived from the sale of electricity by an electric light company which are attributable to the recovery of purchased energy costs, clean-up costs, and investment write-off costs due to damage to a nuclear generating facility are exempt from tax.

Purpose: This tax relief alleviates the financial hardship faced by the public utility as a result of damage caused by an accident or natural disaster. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One hundred thirty-five electric suppliers could potentially benefit from this tax expenditure.

ELECTRIC COOPERATIVES

Description: Gross receipts of electric cooperatives are exempt from the tax. The figures for this expenditure are at the statutory utility gross receipts tax rates applicable to the appropriate tax year.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 20.8	\$ 21.0	\$ 21.2	\$ 21.4	\$ 21.7	\$ 21.9	\$ 22.1

Beneficiaries: The 13 cooperatives in the commonwealth benefit from this tax expenditure.

PUBLIC UTILITY REALTY TAX

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

The public utility realty tax (PURTA) is imposed on public utilities furnishing services under the jurisdiction of the Pennsylvania Public Utility Commission or a regulatory body of another state or the United States.

Act 4 of 1999 fundamentally overhauled PURTA for tax year 1998 and thereafter. The tax rate is annually calculated by the Department of Revenue in order to raise an amount of tax revenue equal to the realty tax equivalent. The commonwealth imposes this tax on public utility realty in lieu of local real estate taxes and distributes revenue to local taxing authorities based on the realty tax equivalent.

Beginning with PURTA tax year 1998, utilities are taxed on the basis of the property's fair market value, which is the local assessed value adjusted by the common level ratio. After December 31, 1999, assets used in the generation of electricity are excluded from the PURTA tax base and the realty tax equivalent.

For fiscal years prior to 2003-04, an additional 7.6 mills of the PURTA tax base was transferred to the Public Transportation Assistance Fund. Beginning in fiscal year 2003-04, the additional 7.6 mills of the PURTA tax base has remained in the General Fund. The estimates in this portion of the analysis include the variable tax as well as the additional 7.6 mill levy.

PROPERTY SUBJECT TO LOCAL TAXATION

Description: Property subject to local real estate taxation under any law in effect on April 23, 1968, is excluded from the PURTA base.

Purpose: The Constitution of Pennsylvania was amended April 23, 1968, to provide for state taxation of public utility realty property; however, any law in effect which subjected real property of a public utility to local real estate taxation was left in full force. This provision prevents the double taxation of such property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.5

Beneficiaries: The 290 public utilities could benefit from this tax expenditure.

EASEMENTS

Description: Easements or similar interests are excluded from the PURTA base. An easement is an interest in land owned by another entity that entitles the public utility company to limited use related to the provision of utility service.

Purpose: PURTA is intended as a tax on real property and not as a tax on property such as these rights.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.9	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1

Beneficiaries: The 290 public utilities could benefit from this tax expenditure.

RAILROAD RIGHTS-OF-WAY

Description: Railroad rights-of-way and superstructures thereon are excluded from the PURTA base. Railroad rights-of-way are limited ownership of land to be used exclusively for the provision of rail transportation service.

Purpose: PURTA is intended as a tax on real property and not as a tax on property such as these rights. This tax relief may encourage the development of our railroad network that benefits the economy.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 6.7	\$ 6.8	\$ 6.9	\$ 6.9	\$ 7.0	\$ 7.1	\$ 7.1

Beneficiaries: The 75 railroad public utilities could benefit from this tax expenditure.

SEWAGE SERVICES

Description: Public utilities furnishing sewage services are exempt from tax.

Purpose: This provides tax relief to companies that are in the business of sewage treatment and encourages investment in sewage treatment facilities that provide public environmental benefits. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 5.9	\$ 6.0	\$ 6.0	\$ 6.1	\$ 6.2	\$ 6.2	\$ 6.3

Beneficiaries: The 55 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 3.7	\$ 3.7	\$ 3.7	\$ 3.8	\$ 3.8	\$ 3.8	\$ 3.9

Beneficiaries: The 635 municipal authorities and the 35 municipal public utilities benefit from this tax expenditure.

ELECTRIC GENERATION FACILITIES

Description: After December 31, 1999, land and improvements indispensable to the generation of electricity are subject to local real estate tax and are excluded from the PURTA tax base and the realty tax equivalent.

Purpose: Electric generation facilities were removed from the PURTA tax base because electric generation is no longer regulated as a public utility function. The electric competition statute, Act 138 of 1996, changed the definition of public utility, and generation facilities can be owned by unregulated entities. This exemption allows a level playing field for participants in electricity supply.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 26.8	\$ 27.0	\$ 27.3	\$ 27.5	\$ 27.7	\$ 28.0	\$ 28.2

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

TRANSITION CREDIT

Description: During the transition years 1998 through 2001, the liability of a public utility under PURTA is limited to 250 percent of its immediate prior year's liability with any reduction in the liability capped at \$100,000 per taxable year. The cost of the transition credit in current fiscal years depends on the calculation of the compensating adjustments for the affected tax years.

Purpose: The PURTA transition credit provides limited relief to taxpayers having a significant increase in their PURTA tax base as a result of Act 4 of 1999.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 60 taxpayers benefit from this tax expenditure.

INSURANCE PREMIUMS TAX

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

The insurance premiums tax is imposed on domestic and foreign insurance companies that transact business in Pennsylvania. Certain types of insurance companies are exempt from the tax.

The tax is levied on gross premiums received from business done within Pennsylvania during each calendar year. A retaliatory tax is also imposed on taxable insurance companies incorporated in other states that impose a higher burden on Pennsylvania companies doing business there.

The basic tax rate is two percent of gross premiums plus any retaliatory tax. A three percent rate is imposed on insurance premiums for policies written with unlicensed insurers by a surplus lines agent when the insured's home state is Pennsylvania. Marine insurance companies are subject to a five percent tax on their underwriting profits in lieu of the insurance premiums tax.

The estimates in this analysis include the full amount of revenues and the retaliatory charges that would be received from affected insurance companies.

MUTUAL BENEFICIAL ASSOCIATIONS

Description: Purely mutual beneficial associations, whose funds benefit members, families, or heirs and are made up entirely of member contributions and accumulated interest, are exempt from the insurance premiums tax. For the purpose of this tax expenditure, these associations are treated as life insurance companies.

Purpose: Mutual beneficial associations are charitable and benevolent organizations that provide life, accident, and health benefits for their members. The exemption indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 14.0	\$ 14.3	\$ 15.4	\$ 15.8	\$ 16.3	\$ 16.8	\$ 17.4

Beneficiaries: Approximately 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 79.0	\$ 81.5	\$ 86.6	\$ 90.5	\$ 95.3	\$ 100.0	\$ 105.6

Beneficiaries: Fifteen 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Approximately 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 430 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	\$ 0.9	\$ 1.7	\$ 2.6	\$ 3.5	\$ 4.5

Beneficiaries: Approximately 1,070 property and casualty insurers doing business in Pennsylvania benefit from this tax expenditure.

INNOVATE IN PA TAX CREDIT

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

Description: Act 52 of 2013 created the Innovate in PA Tax Credit. A total of \$100 million in tax credits were purchased by qualified insurance companies in 2015. The credits may be claimed beginning in calendar year 2017 against insurance premiums tax (IPT) liabilities incurred for a taxable year beginning on or after January 1, 2016. The total amount of credits applied against IPT liability by all qualified taxpayers in a fiscal year may not exceed \$20 million, nor may they exceed a taxpayer's IPT liability for that year. Credits may be sold to other qualified taxpayers and may be carried forward for any taxable year that begins prior to January 1, 2026.

The amounts shown below reflect the program cap.

Purpose: The tax credit encourages funding of early-stage venture capital investment through the Ben Franklin Technology Partners, the Venture Investment Program, and the Life Sciences Greenhouses.

Administrative Costs: Costs to administer the Innovate in PA Tax Credit are borne by the Department of Community and Economic Development and the Department of Revenue. Estimated costs total \$0.1 million per year.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ --	\$ --	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0

Beneficiaries: Approximately thirty taxpayers will benefit from this tax expenditure.

BANK AND TRUST COMPANY SHARES TAX

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

The bank and trust company shares tax is imposed on every bank and trust company having capital stock and doing business in Pennsylvania.

The tax is imposed annually on the value of shares as of January 1. Beginning January 1, 2014, the taxable value of shares is computed on the most recent year-end value of an institution's total bank equity capital, adjusted to allow a deduction for United States obligations. The tax rate on the dollar value of each taxable share of stock is 0.89 percent.

GOODWILL DEDUCTION

Description: Act 55 of 2007 provides for goodwill generated by a combination to be subtracted from a bank's book value of total bank equity capital when calculating its taxable shares. The Act also provides for goodwill to be subtracted from total assets when calculating the proportional deduction for United States obligations.

Purpose: This deduction removes from the tax base the intangible value assigned to goodwill under purchase accounting rules as the result of a combination with another bank.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 68.2	\$ 70.9	\$ 74.4	\$ 78.3	\$ 82.7	\$ 87.4	\$ 92.3

Beneficiaries: Any Pennsylvania bank involved in combination activity could benefit from this tax expenditure.

MUTUAL THRIFT INSTITUTIONS TAX

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

The mutual thrift institutions tax is imposed on the net income of savings institutions, savings banks without capital stock, savings and loan associations, and building and loan associations conducting business in Pennsylvania.

The tax is based on net income determined in accordance with generally accepted accounting principles with the following major exceptions: income earned from United States obligations or Pennsylvania state and local obligations is excluded; the interest expense associated with tax exempt interest income is disallowed as a deduction; and net operating losses from previous years may be carried forward for a maximum of three years. Taxable net income is apportioned to Pennsylvania by a three-factor formula comprised of payroll, receipts, and deposits.

The current tax rate is 11.5 percent.

NET OPERATING LOSS CARRYFORWARD

Description: Thrift institutions may deduct from current taxable income the net losses from previous taxable years. A net loss for a taxable year may be carried over three years and must be carried to the earliest allowable tax year. There is no carryback of losses to prior years.

Purpose: This deduction reduces the tax burden for a period of time after an operating loss period, thereby aiding the thrift institution after it has attained economic health as measured by its taxable income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: The 60 mutual thrift companies could benefit from this tax expenditure.

CREDIT UNIONS

Description: Credit unions are exempt from taxation. The tax expenditure is determined by applying the appropriate mutual thrift institutions tax rate to their net earnings.

Purpose: Credit unions are cooperative associations incorporated to promote thrift and to provide a source of credit for their members. This program provides tax relief to credit unions as well as their members to the extent that it is reflected in higher rates earned on savings and lower rates charged for loans.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 6.1	\$ 5.8	\$ 6.1	\$ 6.4	\$ 6.8	\$ 7.2	\$ 7.6

Beneficiaries: The 57 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 13.9	\$ 14.1	\$ 14.3	\$ 14.6	\$ 14.8	\$ 15.0	\$ 15.2

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$1,379.2	\$1,410.1	\$1,451.1	\$1,487.7	\$1,524.6	\$1,562.7	\$1,602.5

Beneficiaries: Virtually all 5.1 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 64.1	\$ 65.6	\$ 67.5	\$ 69.2	\$ 70.9	\$ 72.7	\$ 74.5

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 45.7	\$ 46.4	\$ 48.3	\$ 50.5	\$ 52.7	\$ 54.7	\$ 56.5

Beneficiaries: Virtually all 5.1 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 17.4	\$ 16.3	\$ 15.8	\$ 15.5	\$ 15.3	\$ 15.1	\$ 15.2

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 6.4	\$ 6.3	\$ 6.4	\$ 6.4	\$ 6.5	\$ 6.5	\$ 6.6

Beneficiaries: An unknown number of taxpayers 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 760.9	\$ 783.7	\$ 806.1	\$ 825.8	\$ 844.1	\$ 860.4	\$ 877.3

Beneficiaries: Virtually all 5.1 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 786.6	\$ 842.4	\$ 899.0	\$ 962.3	\$1,034.6	\$1,118.4	\$1,211.9

Beneficiaries: Approximately 2.8 million Pennsylvanians benefit from this tax expenditure.

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 108.1	\$ 116.0	\$ 124.1	\$ 133.2	\$ 143.5	\$ 155.5	\$ 168.8

Beneficiaries: Virtually all 5.1 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 130.3	\$ 141.7	\$ 151.5	\$ 160.4	\$ 168.8	\$ 176.6	\$ 184.4

Beneficiaries: Approximately 6.3 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 10.3	\$ 10.6	\$ 11.0	\$ 11.4	\$ 11.8	\$ 12.3	\$ 12.7

Beneficiaries: An unknown number of businesses and 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 18.7	\$ 19.5	\$ 20.3	\$ 21.2	\$ 22.1	\$ 23.0	\$ 24.0

Beneficiaries: As many as 128,000 households benefit from this tax expenditure annually.

FLAGS

Description: The purchase or use of Pennsylvania and United States flags is exempt from taxation.

Purpose: The exemption of flags may be based on the perception that governmental support of national and state symbols is a worthy public policy objective.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.5	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.7

Beneficiaries: An unknown number of households, 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 12.9	\$ 12.3	\$ 12.2	\$ 12.0	\$ 11.9	\$ 11.7	\$ 11.5

Beneficiaries: As many as 780,000 college students may benefit from this tax expenditure.

FOOD STAMP PURCHASES

Description: The purchase at retail or use of tangible personal property in accordance with the federal Food Stamp Act of 1977 is exempt from taxation. Primarily, exempt items are soft drinks, certain drink mixes, vegetable and fruit seeds and plants, and certain prepared cold foods.

Purpose: This provision is mandated by federal law for continued state participation in the federally funded food stamp program.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 7.6	\$ 8.2	\$ 8.5	\$ 8.9	\$ 9.3	\$ 9.7	\$ 10.2

Beneficiaries: Approximately 733,000 households benefit from this tax expenditure.

GRATUITIES

Description: Any amount paid, in excess of charges and tax, for service relating to the purchase of food or beverages or hotel or motel accommodations is an exempt gratuity.

Purpose: Gratuities or tips are not included in the cost of the meal or accommodation acquired by the purchaser but are considered costs of the accompanying non-taxable services.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 91.2	\$ 97.4	\$ 102.8	\$ 107.8	\$ 112.8	\$ 117.5	\$ 122.3

Beneficiaries: Approximately 3.7 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 118.1	\$ 121.0	\$ 122.6	\$ 124.1	\$ 127.2	\$ 129.5	\$ 131.8

Beneficiaries: Approximately 70,000 households and an unknown businesses benefit from this tax expenditure.

FIREWOOD

Description: The purchase or use of firewood cut into lengths for burning or wood pellets is exempt from taxation when used as fuel for cooking, or for heating water or residential dwellings.

Purpose: Alternative energy sources such as heating oil, natural gas, coal, and electricity are exempt when used for residential purposes. The extension of this exemption to firewood provides consistency among all major energy sources.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 7.7	\$ 8.0	\$ 8.2	\$ 8.5	\$ 8.8	\$ 9.1	\$ 9.4

Beneficiaries: Approximately 180,000 households use wood as a primary heating source. In addition, there are approximately 700,000 households with working fireplaces. Both groups 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)

Estimates:	Electric:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 415.9	\$ 416.9	\$ 423.3	\$ 440.3	\$ 458.4	\$ 475.6	\$ 493.4

	Fuel Oil/Gas:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 171.3	\$ 153.7	\$ 152.6	\$ 159.9	\$ 168.2	\$ 174.9	\$ 179.8

	Telephone:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 54.4	\$ 55.7	\$ 56.7	\$ 57.3	\$ 58.1	\$ 59.0	\$ 59.6

Beneficiaries: Virtually all 5.1 million households (electricity), 3.8 million households (fuel oil/gas), and 3.0 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 124.8	\$ 128.0	\$ 130.9	\$ 134.1	\$ 137.7	\$ 141.7	\$ 146.1

Beneficiaries: Approximately 4.5 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$1,169.0	\$ 987.9	\$ 805.4	\$ 850.6	\$ 951.8	\$1,013.5	\$1,081.2

Beneficiaries: Approximately 4.8 million households and owners of more than 1.6 million heavy trucks, buses, etc., benefit from this tax expenditure.

MOTOR VEHICLES/VESSELS

AIRCRAFT

Description: An exemption is provided for the sale at retail or use of helicopters and similar rotocraft. In addition, there is an exemption for the sale at retail of repair and replacement parts for helicopters, similar rotocraft, and fixed-wing aircraft. This exemption also covers the installation of these parts as well as other service to the aircraft.

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

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.9	\$ 5.1	\$ 5.4	\$ 5.6	\$ 5.8	\$ 6.0	\$ 6.2

Beneficiaries: Approximately 110 aircraft manufacturers and repair companies may benefit from this expenditure. In addition, an unknown number of purchasers of these products and services may benefit.

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 50.4	\$ 51.3	\$ 52.3	\$ 53.2	\$ 54.7	\$ 56.7	\$ 58.6

Beneficiaries: Approximately 7,500 common carriers could benefit from this tax expenditure.

COMMERCIAL VESSELS (Construction and Repair)

Description: The purchase or use of commercial vessels of 50 tons or larger is exempt from taxation if delivery is taken in Pennsylvania.

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

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 16.9	\$ 17.0	\$ 17.3	\$ 17.5	\$ 18.0	\$ 18.7	\$ 19.4

Beneficiaries: As many as 10 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment and Maintenance)

Description: The purchase or use of fuel, supplies, equipment, ships or sea stores, and cleaning or maintenance supplies is exempt from taxation. This exemption applies to vessels of 50 tons or more designed for commercial use.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania vendors at a competitive disadvantage relative to those vendors operating in other states that allow this exemption.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.8	\$ 5.9	\$ 6.1

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

MOTOR VEHICLES (Out-of-State Purchasers)

Description: The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, and 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

SCHOOL BUSES

Description: The purchase at retail or use of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state sales and use tax revenues, also decreases state educational subsidy costs.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 21.6	\$ 21.6	\$ 21.7	\$ 21.8	\$ 21.9	\$ 21.9	\$ 22.0

Beneficiaries: Approximately 400 private school bus contractors and virtually all 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$1,169.4	\$1,206.1	\$1,234.1	\$1,255.8	\$1,286.7	\$1,325.2	\$1,374.3

Beneficiaries: Approximately 13,800 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 36.2	\$ 35.9	\$ 36.2	\$ 36.9	\$ 37.6	\$ 38.4	\$ 39.5

Beneficiaries: Approximately 58,800 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 98.6	\$ 96.4	\$ 95.7	\$ 96.9	\$ 97.5	\$ 98.6	\$ 100.6

Beneficiaries: Approximately 820 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.2	\$ 2.2	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.5

Beneficiaries: Approximately 73,500 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 45.8	\$ 47.9	\$ 50.0	\$ 52.3	\$ 54.6	\$ 57.1	\$ 59.6

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0

Beneficiaries: Approximately 60 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: As many as 210 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 5.8	\$ 6.1	\$ 6.3	\$ 6.5	\$ 6.7	\$ 6.9	\$ 7.2

Beneficiaries: Approximately 51,600 persons benefit from this tax expenditure.

VENDOR DISCOUNT

Description: A licensed vendor is permitted a one percent discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is filed or postmarked on or before the due date.

Purpose: This provision is intended to defray the vendor's cost of collecting and remitting the sales and use tax.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 78.2	\$ 80.6	\$ 84.3	\$ 87.5	\$ 90.5	\$ 93.5	\$ 96.5

Beneficiaries: Approximately 187,200 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

TRADE-IN VALUE

Description: A deduction is allowed against the gross purchase price for the value of personal property actually taken in trade or exchange. The trade-in property does not have to be of like kind to the purchased property. The reduction in purchase price is considered to be the value of the trade-in.

Purpose: Tangible personal property taken as a trade-in is usually resold. Therefore, it is treated as a sale for resale.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 327.7	\$ 339.6	\$ 357.2	\$ 376.1	\$ 390.6	\$ 396.2	\$ 401.9

Beneficiaries: Approximately 600,000 purchasers of motor vehicles annually benefit from this tax expenditure. In addition, an unknown number of entities benefit from other trade-ins (such as boats and aircraft).

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 100.0	\$ 103.1	\$ 107.8	\$ 111.8	\$ 115.7	\$ 119.5	\$ 123.4

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

HORSES

Description: The sale of a horse is exempt from taxation if the seller is directed to deliver the horse to an out-of-state location. A horse may be temporarily delivered to a resident or agent prior to being delivered out-of-state.

Purpose: This exemption provides preferential treatment of horses relative to other tangible personal property by permitting temporary location in Pennsylvania before being delivered out-of-state.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.8	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6	\$ 2.6

Beneficiaries: Approximately 2,000 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

YOUTH SPORTS PROGRAMS

Description: The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger, or for persons with a physical or intellectual disability 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 disabled.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

PURELY PUBLIC CHARITIES

Description: The sale of personal property or services to or for use by any institution of purely public charity as defined by Act 55 of 1997 is exempt from taxation. Act 45 of 1998 extended this exemption to include the purchase or use of certain machinery and equipment used in a construction contract with an exempt entity. The purchase or use may be made by a construction contractor or the exempt entity. Transactions unrelated to the trade or business of such organizations are taxable as are certain materials and supplies purchased for use in connection with real estate.

Purpose: These organizations provide public and charitable services that are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:	Charitable Organizations:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 11.7	\$ 12.0	\$ 12.2	\$ 12.5	\$ 12.9	\$ 13.4	\$ 13.9
	Volunteer Firemen's Organizations:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 15.3	\$ 15.5	\$ 15.7	\$ 16.0	\$ 16.6	\$ 17.2	\$ 17.9
	Nonprofit Educational Institutions:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 81.0	\$ 81.8	\$ 82.5	\$ 84.1	\$ 87.3	\$ 90.7	\$ 94.3
	Religious Organizations:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 7.9	\$ 8.0	\$ 8.2	\$ 8.4	\$ 8.7	\$ 9.0	\$ 9.3
	Health & Social Assistance Organizations:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 154.8	\$ 156.8	\$ 157.7	\$ 159.5	\$ 164.6	\$ 170.4	\$ 174.7

Beneficiaries: Approximately 31,300 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 354.7	\$ 360.1	\$ 372.5	\$ 387.2	\$ 402.2	\$ 417.4	\$ 432.6

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

SUBSTITUTED TAX BASE

Description: The tax on tangible personal property purchased at least six months prior to the first taxable use in Pennsylvania may be based on the prevailing market price at the time of the taxable use. This substituted base would be in lieu of taxing the original purchase price.

Purpose: This alternative tax base permits taxpayers to pay tax relative to the current market value of such assets that most closely approximates current taxable value.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

OUT-OF-STATE PURCHASES

Description: Tangible personal property purchased and used outside the state by a nonresident who later brings the property into Pennsylvania while establishing a permanent residence or business is exempt from taxation. This property must be purchased more than six months prior to the first taxable use in Pennsylvania.

Purpose: This provision eases administrative costs for the commonwealth and compliance costs for the taxpayer and prevents a substantial tax liability from being imposed when a person moves to Pennsylvania.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

RAIL TRANSPORTATION EQUIPMENT

Description: The purchase or use of rail transportation equipment by a business in the movement of its own personal property is exempt from taxation.

Purpose: Exemption of rail equipment provides preferential treatment benefiting specific users of this transportation mode. Were these items not exempt, this additional cost may be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 10.8	\$ 10.9	\$ 11.0	\$ 11.1	\$ 11.4	\$ 11.9	\$ 12.4

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: An unknown number of entities benefit from this tax expenditure.

TOURIST PROMOTION AGENCIES

Description: The purchase or use of supplies and materials by tourist promotion agencies for distribution to the public is exempt from taxation. To be permitted this exemption, an agency must receive grants from the state.

Purpose: Excluding supplies and materials used by tourist promotion agencies that receive state grants reduces the cost of performing promotional activities. The need for direct support to these agencies is decreased by providing this exemption.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: An unknown number of entities 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: An unknown number of 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 179.0	\$ 182.2	\$ 185.1	\$ 188.4	\$ 193.9	\$ 200.8	\$ 211.8

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: As many as 860,000 residents who have difficulty ascending and descending stairs may benefit from this tax expenditure.

BAD DEBTS

Description: Sales tax vendors may apply for a refund equal to 100 percent of bad debts associated with sales tax paid to the state for sales written off by the vendor and deducted for federal income tax purposes because the vendor did not receive full payment from the purchaser. Act 55 of 2007 provided that the refund for sales tax remitted and attributable to bad debt is now expanded to private label credit cards. This change applies 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 3.6	\$ 3.8	\$ 4.0	\$ 4.2	\$ 4.4	\$ 4.6	\$ 4.8

Beneficiaries: Any of the 298,000 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.3	\$ 2.4

Beneficiaries: As many as 130,000 entities benefit from this tax expenditure annually.

RENTAL OF FILMS FOR COMMERCIAL EXHIBITION

Description: The purchase at retail or use of motion picture films rented or licensed from a distributor for the purpose of commercial exhibition are exempt from taxation.

Purpose: This provision allows the entertainment services associated with these films to be delivered to the public at a reduced cost. Were these films not exempt, the additional cost would likely be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 20.9	\$ 21.6	\$ 22.4	\$ 23.0	\$ 23.6	\$ 24.2	\$ 24.8

Beneficiaries: Approximately 180 motion picture and video exhibition companies, 80 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6	\$ 1.6	\$ 1.7

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.

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 8.4	\$ 8.9	\$ 9.4	\$ 9.8	\$ 10.1	\$ 10.5	\$ 11.0

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 3.7	\$ 3.6	\$ 3.6	\$ 3.6	\$ 3.5	\$ 3.5	\$ 3.6

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

WRAPPING AND PACKING SUPPLIES

Description: The purchase or use of wrapping paper, twine, bags, cartons, tape, rope, labels, nonreturnable containers, and all other wrapping supplies which are incidental to the delivery of personal property is exempt from taxation. This exclusion applies to retailers only. A separately stated charge for wrapping or packaging is taxable.

Purpose: Exemption of these items prevents double taxation since the cost of wrapping supplies, as a final input of the product, is included in the price charged by the retailer.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 58,900 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
LODGING							
Recreational parks, camps & campgrounds	\$ 12.6	\$ 13.3	\$ 13.7	\$ 14.2	\$ 14.6	\$ 15.1	\$ 15.6
PERSONAL SERVICES							
Dry-cleaning & laundry services	\$ 34.3	\$ 35.4	\$ 36.6	\$ 37.8	\$ 39.3	\$ 40.8	\$ 42.4
Personal care services	175.8	183.7	191.6	199.7	208.2	217.0	225.9
Funeral parlors, crematories & death care services....	54.2	56.7	59.1	61.6	64.2	66.9	69.7
Other: personal services.	47.7	49.5	51.5	53.4	55.6	57.8	60.1
BUSINESS SERVICES							
Advertising, public relations, & related services.....	\$ 756.2	\$ 763.3	\$ 772.6	\$ 785.0	\$ 805.5	\$ 829.2	\$ 854.8
Services to buildings and dwellings.....	239.6	242.9	246.4	250.9	257.4	265.0	273.1
Consulting (scientific, environmental, & technical).....	344.5	346.7	349.8	354.9	363.9	373.9	384.7
Scientific research & development services	80.6	80.8	81.0	82.3	84.0	85.9	88.3
Information services.....	52.4	53.5	54.8	56.3	58.2	60.3	62.5
Administrative services	487.4	494.2	501.8	511.1	524.8	540.5	557.4
COMPUTER SERVICES							
Custom programming, design & data processing	\$ 366.4	\$ 371.8	\$ 378.2	\$ 386.6	\$ 398.6	\$ 412.1	\$ 426.9
AUTOMOTIVE SERVICES							
Parking lots & garages	\$ 47.5	\$ 49.4	\$ 51.4	\$ 53.5	\$ 55.7	\$ 58.0	\$ 60.3
RECREATION SERVICES							
Spectator sports admissions (excludes schools)	\$ 69.3	\$ 71.3	\$ 73.6	\$ 76.1	\$ 79.0	\$ 82.0	\$ 85.1
Theater, dance, music & performing arts admissions ..	92.1	94.2	96.5	99.2	102.6	106.1	109.8
Amusement & recreation industries.....	321.0	334.8	348.8	363.2	378.4	393.9	410.0
Museums, historical sites, zoos & parks	25.0	26.2	27.3	28.5	29.7	30.9	32.2
HEALTH SERVICES							
Home health care, nursing care, & other ambulatory health care services	\$ 409.4	\$ 429.2	\$ 448.7	\$ 468.9	\$ 490.3	\$ 513.5	\$ 537.6
Hospitals	1,036.3	1,086.2	1,135.8	1,186.8	1,241.1	1,299.6	1,360.6
Physician & dental services.....	1,214.7	1,273.3	1,331.3	1,391.1	1,454.8	1,523.4	1,594.9
Social assistance including day care	140.1	146.8	153.5	160.4	167.8	175.7	183.9
PROFESSIONAL SERVICES							
Legal.....	\$ 609.0	\$ 623.0	\$ 638.3	\$ 655.9	\$ 677.4	\$ 700.5	\$ 725.1
Architectural, engineering, & related services.....	272.4	275.0	279.4	284.3	292.6	302.6	313.7
Accounting, auditing and bookkeeping services	283.5	287.3	291.7	297.4	305.8	315.1	325.1
Specialized design	66.0	67.2	68.5	69.8	71.8	74.0	76.4
All other professional and technical services	162.2	164.0	166.2	169.2	173.5	178.4	183.9
TRANSPORTATION SERVICES							
Transit & ground transportation	\$ 27.7	\$ 28.6	\$ 29.5	\$ 30.4	\$ 31.1	\$ 31.8	\$ 32.5
Air transportation.....	3.2	3.3	3.4	3.5	3.6	3.6	3.7
Truck transportation	17.5	18.0	18.5	19.0	19.6	20.2	20.7
Other transportation	13.1	13.3	13.6	13.9	14.3	14.6	15.0
MISCELLANEOUS SERVICES							
Basic television	\$ 228.5	\$ 233.5	\$ 237.4	\$ 240.1	\$ 243.9	\$ 247.6	\$ 250.9
Tuition (college, vocational training & instruction).....	762.4	796.3	830.3	865.3	902.0	939.6	978.3
Electrical, plumbing, heating & AC service fees.....	NA	NA	NA	NA	NA	NA	NA
Veterinary fees.....	61.3	64.0	66.8	69.6	72.5	75.6	78.7
Financial institution fees.....	189.1	199.8	211.9	224.2	237.4	250.9	264.8
Waste management and remediation services	155.9	159.2	162.6	166.4	171.6	177.7	184.1

Beneficiaries: Virtually all 5.1 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 was also imposed on little cigars weighing no more than four pounds per thousand sticks. Only one sale of cigarettes, whether individual cigarettes, packages, cartons, or cases, is taxable. Beginning in fiscal year 2002-03, fixed annual amounts of \$30.73 million and \$20.485 million of cigarette tax receipts are transferred to the Children's Health Insurance Program (CHIP) and the Agricultural Conservation Easement Purchase (ACEP) Fund, respectively. Transfers of cigarette tax receipts to CHIP began in fiscal year 1992-93 at the rate of two thirty-firsts of receipts. After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Transfers of cigarette tax receipts to the ACEP fund began in fiscal year 1993-94 at the rate of two thirty-firsts of receipts. Beginning January 7, 2004, 18.52 percent of cigarette tax receipts are transferred to the Health Care Provider Retention Account (HCPRA). The HCPRA transfer was repealed beginning November 1, 2009. The analyses below reflect only the General Fund portion of the tax expenditures.

Administrative Costs: Costs to administer the cigarette tax expenditures are nominal.

STATE VETERANS' HOMES

Description: Sales to retail dealers located in state veterans' homes, for resale to residents in such homes, are exempt. Federal veterans' hospitals are exempt under federal law.

Purpose: It is perceived to be good public policy to reduce taxes for veterans who have served their country and are now residing in a veterans' home or hospital.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Residents in six state veterans' 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of 0.87 percent of the value of all cigarette tax stamps purchased from the Department of Revenue or its authorized agents to be affixed to cigarettes for sale within the commonwealth. Prior to November 1, 2009, the commission was equal to 0.98 percent. The commission does not apply to purchases of stamps by a cigarette-stamping agent in amounts of less than one hundred dollars (\$100).

Purpose: This commission is paid to the cigarette-stamping agent as compensation for services and expenses incurred while acting as an agent of the commonwealth in affixing tax stamps.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 8.6	\$ 8.5	\$ 8.4	\$ 8.2	\$ 8.1	\$ 8.0	\$ 7.9

Beneficiaries: Approximately 116 cigarette stamping agents may benefit from this tax expenditure.

MALT BEVERAGE TAX

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

The malt beverage tax is levied on malt and brewed beverages manufactured, sold, and used in Pennsylvania or manufactured outside of Pennsylvania but sold for importation and use in Pennsylvania. The tax is borne by the consumer, but manufacturers, distributors, and importers remit the tax to the commonwealth.

The malt beverage tax contains no tax expenditures as defined for this tax expenditure analysis.

LIQUOR TAX

Authorization: The Liquor Code, Act of June 29, 1987 (P.L. 32, No. 14) and the Emergency Liquor Sales Tax Act, Act of June 9, 1936 (Special Session, P.L. 13).

The liquor tax is imposed on all liquor sold by the Pennsylvania Liquor Control Board. The tax is assessed, since 1968, at the rate of 18 percent of the net price paid by the consumer.

The liquor tax contains no tax expenditures as defined for this tax expenditure analysis.

PERSONAL INCOME TAX

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

The personal income tax is levied against the taxable income of resident and nonresident individuals, estates and trusts, partnerships, S corporations, business trusts, and limited liability companies that are not taxed as corporations for federal purposes. Pennsylvania taxes eight classes of income: (1) compensation; (2) net profits from the operation of a business, profession, or farm; (3) net gains on income less net losses from dispositions of property; (4) net gains on income from rents, royalties, patents, and copyrights; (5) dividends; (6) interest; (7) gambling and lottery winnings; and (8) net gains on income derived through estates or trusts.

Administrative Costs: Costs to administer the various tax expenditures associated with the personal income tax cannot be separately identified. Additionally, administrative costs for inheritance tax are included in these estimates. The existence of tax expenditures may result in taxpayer uncertainties, which create an administrative burden on the department relative to additional compliance audits, letter rulings, pronouncements, and bulletins.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.7	\$ 2.6	\$ 2.7	\$ 2.8	\$ 2.9	\$ 2.9	\$ 3.0

EXCLUSIONS FROM INCOME

RETIREMENT INCOME

Description: Payments commonly recognized as old age or retirement benefits paid to persons retired from service after reaching a specific age or after a stated period of service are exempt from taxation.

Purpose: The exemption limits the impact of the tax on retired persons. It also prevents taxation of previously taxed employee contributions to retirement plans.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2802.9	\$2,983.6	\$3,176.1	\$3,380.9	\$3,599.0	\$3,831.1	\$4,078.1

Beneficiaries: As many as 2.9 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$1,065.8	\$1,106.4	\$1,156.7	\$1,211.3	\$1,267.6	\$1,327.0	\$1,387.8

Beneficiaries: As many as 5.8 million employees benefit from this tax expenditure.

NONQUALIFIED DEFERRED COMPENSATION

Description: Following the federal constructive receipt rule, Act 40 of 2005 stipulated that deferrals to nonqualified deferred compensation plans are not includible in compensation. This change applies to appeals which arise prior to or after the effective date of this act, July 7, 2005, and applies to taxable years beginning after December 31, 2002.

Purpose: With certain significant exceptions, Pennsylvania's constructive receipt rules were generally made consistent with the federal constructive receipt rules used to determine when compensation is received by a cash basis taxpayer.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 31.8	\$ 32.7	\$ 33.7	\$ 34.7	\$ 35.8	\$ 36.8	\$ 37.9

Beneficiaries: Approximately 51,000 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 12.7	\$ 13.2	\$ 13.8	\$ 14.5	\$ 15.0	\$ 15.6	\$ 16.1

Beneficiaries: Individuals filing approximately 153,000 returns are estimated to benefit from this tax expenditure. This number is expected to rise over time.

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

Description: Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation. Effective January 1, 1998, this expenditure also includes personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$1,196.5	\$1,240.3	\$1,300.9	\$1,364.2	\$1,419.7	\$1,470.3	\$1,518.9

Beneficiaries: As many as 5.8 million employees benefit from this tax expenditure.

CAFETERIA PLANS

Description: Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage earner.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 90.2	\$ 93.7	\$ 97.9	\$ 102.5	\$ 107.3	\$ 112.3	\$ 117.5

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 137.4	\$ 141.2	\$ 145.1	\$ 149.2	\$ 153.3	\$ 157.6	\$ 162.0

Beneficiaries: The death payment beneficiaries of approximately 189,000 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

Description: Amounts received as unemployment compensation or supplemental unemployment compensation are excluded from taxable income.

Purpose: This exemption assists unemployed persons in providing the basic necessities of life.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 68.1	\$ 65.0	\$ 65.9	\$ 66.6	\$ 65.4	\$ 64.2	\$ 63.1

Beneficiaries: Approximately 528,000 people benefit from this tax expenditure.

WORKERS' 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 91.5	\$ 92.5	\$ 93.6	\$ 94.6	\$ 95.7	\$ 96.8	\$ 97.9

Beneficiaries: As many as 177,000 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

PUBLIC ASSISTANCE

Description: Public assistance payments from governmental entities are excluded from taxable income.

Purpose: This provision limits the impact of the tax on the poor and increases the effectiveness of state payments under this program.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 5.6	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7	\$ 5.7

Beneficiaries: Approximately 166,000 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 152.1	\$ 151.7	\$ 154.3	\$ 157.8	\$ 162.1	\$ 165.9	\$ 169.9

Beneficiaries: The owners of approximately 227,000 principal residences that are sold each year in Pennsylvania benefit from this tax expenditure.

COMPENSATION FOR MILITARY SERVICE

Description: Compensation for military service by a Pennsylvania resident in a combat zone is excludable from tax. Income received for military service outside the commonwealth (whether or not it is in a combat zone) while on active duty as a member of the armed forces is excludable from compensation. Income received for active state duty for an emergency within or outside Pennsylvania is excludable from compensation.

Purpose: This provision reduces tax on members of the armed forces while on active duty in service of the country.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 127.1	\$ 129.3	\$ 132.6	\$ 136.2	\$ 139.6	\$ 143.1	\$ 146.6

Beneficiaries: Approximately 56,000 residents benefit from this tax expenditure.

SCHOLARSHIPS, GRANTS, FELLOWSHIPS, AND STIPENDS

Description: Scholarships, grants, fellowships, and stipends awarded on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further their educational development are not taxable. Fellowships and stipends are taxable if they are awarded as compensation for past, present, or future services.

Purpose: Awards made on the basis of detached generosity are considered to be gifts and are not taxable as income.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 146.0	\$ 150.8	\$ 157.3	\$ 164.8	\$ 172.4	\$ 180.5	\$ 189.0

Beneficiaries: The recipients of approximately 283,000 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.6	\$ 4.5	\$ 4.5	\$ 4.4	\$ 4.4	\$ 4.3	\$ 4.3

Beneficiaries: Approximately 30,000 taxpayers benefit from this tax expenditure.

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 74.6	\$ 74.3	\$ 73.9	\$ 73.6	\$ 73.2	\$ 72.9	\$ 72.5

Beneficiaries: Individuals filing approximately 1.1 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)

Estimates:	<u>Depreciation:</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
		\$ 152.7	\$ 157.6	\$ 170.6	\$ 178.3	\$ 184.3	\$ 190.0	\$ 197.4

	<u>Other:</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
		\$1,916.8	\$1,979.0	\$2,142.1	\$2,238.6	\$2,313.5	\$2,384.6	\$2,476.9

Beneficiaries: Approximately 1.1 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1

Beneficiaries: The foster parents of approximately 16,300 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 28.9	\$ 32.6	\$ 36.8	\$ 41.5	\$ 47.0	\$ 53.2	\$ 60.4

Beneficiaries: At least 114,00 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0

Beneficiaries: As many as 100,900 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 13.5	\$ 13.9	\$ 14.6	\$ 14.8	\$ 15.0	\$ 15.3	\$ 15.5

Beneficiaries: Approximately 52,200 residents benefit from this expenditure.

STATE/LOCAL OBLIGATIONS

Description: State and local governments and authorities may issue bonds to raise funds in order to finance a variety of public projects, including infrastructure improvement or construction, and provide essential services. When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. Interest paid on Pennsylvania government-issued municipal bonds is exempt from Pennsylvania state income taxes.

Purpose: Because of this tax exempt feature, investors will usually accept lower interest payments than on other types of borrowing, lowering the overall cost for the government bond issuer.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 100.8	\$ 87.8	\$ 103.2	\$ 108.7	\$ 115.7	\$ 120.6	\$ 120.6

Beneficiaries: Approximately 283,000 Pennsylvanians benefit from this expenditure.

START-UP BUSINESS DEDUCTION

Description: Beginning with tax year 2014, Pennsylvania aligned with federal rules allowing for a \$5,000 deduction from net income for business start-up costs for personal income tax purposes. Start-up costs include any amounts paid or incurred in connection with creating an active trade or business, or investigating the creation or acquisition of an active trade or business. They may include advertising, travel, surveys, consultant fees, and training.

Purpose: This deduction gives businesses the same opportunity they have at the federal level and will encourage small business development, attract entrepreneurs and encourage existing businesses to expand and create new jobs.

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.8	\$ 4.4	\$ 4.1	\$ 3.8	\$ 3.4	\$ 3.1	\$ 2.7

Beneficiaries: Approximately 36,500 new businesses will benefit from this tax expenditure.

INTANGIBLE DRILLING COSTS

Description: Effective tax year 2014, a taxpayer may recover intangible drilling costs (IDCs), as defined by federal rules, by using either a ten-year amortization period, or elect to immediately expense up to one-third of the allowable costs and recover the remaining costs over a 10 year period beginning in the taxable year the costs are incurred.

Purpose: This expenditure allows entities to deduct a larger portion of costs immediately, instead of spreading those costs over the life of the well.

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.6	\$ 4.6	\$ 5.8	\$ 7.0	\$ 8.1	\$ 9.3	\$ 10.7

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

CREDITS

SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

Description: Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending on the amount of their eligibility income. For tax year 2015, 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 281.9	\$ 273.4	\$ 265.2	\$ 257.3	\$ 249.6	\$ 242.1	\$ 234.8

Beneficiaries: Individuals filing approximately 1.3 million returns benefit from this tax expenditure.

RESIDENT CREDIT

Description: Pennsylvania residents who have income which is subject to both Pennsylvania personal income tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) may claim the lesser of the actual tax paid to the other state, or the tax calculated using Pennsylvania taxable income earned in the other state, multiplied by the current Pennsylvania tax rate as a credit against the personal income tax. Prior to Act 52 of 2013, Pennsylvania residents could also claim the resident credit for income from a foreign country.

Purpose: This provision prevents the double taxation of income earned by a Pennsylvania resident in another state.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 343.7	\$ 358.7	\$ 377.1	\$ 394.9	\$ 413.2	\$ 432.7	\$ 451.9

Beneficiaries: Individuals filing approximately 167,000 returns benefit from this tax expenditure.

ESTIMATED TAXES

ESTIMATED TAXES FOR FIDUCIARIES

Description: Act 40 of 2005 stated that fiduciaries are allowed to adopt the federal annualization rules for calculating estimated payments. This change may lower or eliminate one or more estimated payments. These provisions apply to payments made after June 30, 2006.

Purpose: The adoption of annualized federal rules for calculating estimated payments for estates and trusts allow fiduciaries to have consistent payments between state and federal laws.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.2	\$ 6.0	\$ 5.4	\$ 4.8	\$ 4.6	\$ 5.0	\$ 5.1

Beneficiaries: Approximately 48,000 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Farmers operating approximately 58,800 farms benefit from this tax expenditure.

ESTIMATED PAYMENTS FOR SMALL AMOUNTS

Description: Individuals with taxable income of \$8,000 or less not subject to withholding are not required to pay estimated taxes. The threshold was changed from \$2,500 effective January 1, 2000.

Purpose: These provisions reduce paperwork for the Department of Revenue and taxpayers with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 1.4 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Taxpayers filing nearly 47,000 returns benefit from this expenditure.

REALTY TRANSFER TAX

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

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is one percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park, and Conservation Fund pursuant to Act 50 of 1993, as amended by Act 89 of 2002. Prior to Act 89 of 2002, 15 percent of the state levied realty transfer tax was transferred to the Keystone Recreation, Park, and Conservation Fund. Act 89 of 2002 lowered the transfer to 10 percent for January 2002 through June 2002 and to 7.5 percent for July 2002 through June 2003. In July 2003 the transfer rate returned to 15 percent. Act 67 of 2006 lowered the transfer rate to 2.1 percent for fiscal year 2006-07 only. For July 2007 and thereafter the transfer rate returned to 15 percent. Act 58 of 2015 provided for an annual transfer from the realty transfer tax to the Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund beginning in fiscal year 2015-16. The annual transfer is to be the lesser of \$25 million or 40 percent of the difference between (a) the total dollar amount of the realty transfer tax collected in the prior fiscal year and (b) the total dollar amount of the realty transfer tax official estimate for the fiscal year 2014-15 (\$447.5 million).

Administrative Costs: Costs to administer the realty transfer tax expenditures are approximately \$0.3 million annually.

TRANSFERS TO GOVERNMENTAL UNITS

Description: A transfer to the commonwealth, the federal government or their agencies, political subdivisions, or instrumentalities by gift, dedication, condemnation, or in lieu of condemnation is exempt from taxation.

Purpose: This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.2	\$ 4.8	\$ 5.5	\$ 5.9	\$ 6.1	\$ 6.2	\$ 6.3

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

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

TRANSFERS AMONG FAMILY MEMBERS

Description: Transfers between husband and wife, parent and child or the spouse of such child, stepparent and a stepchild or the spouse of such child, siblings and/ or the spouse of a sibling, and a grandparent and grandchild or the spouse of such a grandchild are exempt from taxation.

Purpose: This exemption reduces the tax burden on families by exempting transfers to family members.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 60.2	\$ 68.2	\$ 78.1	\$ 83.9	\$ 86.6	\$ 88.7	\$ 89.8

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.5	\$ 1.7	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.2

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.0	\$ 2.3	\$ 2.6	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.0

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

TRANSFERS BETWEEN RELIGIOUS ORGANIZATIONS

Description: A transfer between religious organizations or persons holding title for a religious organization, with both parties possessing tax-exempt status under the Internal Revenue Code, is an excluded transaction. The real estate cannot have been used by such transferor for commercial purposes.

Purpose: This exemption provides tax relief to religious organizations that are perceived to provide social benefits.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.9	\$ 2.1	\$ 2.4	\$ 2.6	\$ 2.7	\$ 2.7	\$ 2.8

Beneficiaries: Approximately 16,350 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 80 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 4,650 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 4,650 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

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

General Fund Tax Expenditures

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 1,350 companies may benefit from this tax expenditure.

PUBLIC UTILITY EASEMENTS

Description: A transfer of an easement to a person furnishing public utility service is an excluded transaction if the easement is used in, or useful for, furnishing public utility services.

Purpose: Public utility easements are numerous and the majority of them are conveyed for a small consideration. The administrative costs of collecting the revenue from an easement to a provider of public utility services are thought to be greater than the revenue.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The 290 public utilities could benefit from this tax expenditure.

STANDING TIMBER OR CROPS

Description: Standing timber and crops are not deemed to actually pass with the conveyance of realty when the instrument provides for severance and removal within an immediate ascertainable date.

Purpose: Timber and crops are personal property in this instance, the transfer of which is not subject to realty transfer tax.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

TRANSFERS TO VOLUNTEER RESCUE COMPANY

Description: A transfer from the commonwealth or any of its agencies, political subdivisions, or instrumentalities for no or nominal consideration to a volunteer emergency medical services agency, volunteer fire company or volunteer rescue company is an excluded transaction.

Purpose: This exemption provides tax relief to volunteer emergency agencies. Without the exemption, they would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 2,020 taxpayers could benefit from this tax expenditure.

TRANSFERS BETWEEN VOLUNTEER AGENCIES

Description: A transfer between two or more volunteer emergency medical services agencies, volunteer fire companies or volunteer rescue companies is an excluded transaction.

Purpose: This exemption provides tax relief to volunteer emergency agencies. Without the exemption, both the grantor and the grantee would be required to pay the tax. The exemption should aid volunteer emergency agencies in being able to better serve their communities.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.5	\$ 1.7	\$ 1.9	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.2

Beneficiaries: Approximately 2,020 taxpayers could benefit from this tax expenditure.

INHERITANCE TAX

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

Administrative Costs: Costs to administer the inheritance tax expenditures are included in the personal income tax administrative cost estimates. Costs incurred to administer the multiple tax expenditures associated with inheritance tax cannot be separately identified.

FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

PREFERENTIAL RATE FOR TRANSFERS TO LINEAL BENEFICIARIES

Description: Effective July 1, 2000, assets transferred to lineal beneficiaries are taxed at a 4.5 percent rate rather than the 15 percent rate for assets transferred to non-lineal heirs. Lineal beneficiaries include grandparents, parents, and lineal descendants (including adopted or step children). Prior to July 1, 2000, transfers to lineal beneficiaries were taxed at a rate of six percent.

Purpose: This provision reduces the tax burden on the immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$1,208.8	\$1,259.3	\$1,312.2	\$1,369.3	\$1,426.6	\$1,486.2	\$1,548.8

Beneficiaries: Approximately 37,000 estates benefit from this tax expenditure.

TRANSFERS OF PROPERTY TO SPOUSE

Description: Property passing to a spouse of a decedent is exempt from inheritance tax. This estimate is based on the difference between taxing all assets transferred between spouses at the lineal rate of 4.5 percent and the spousal rate of zero percent.

Purpose: This provision prevents an undue tax burden on a surviving spouse especially when assets cannot be jointly owned. It allows spouses to maintain homes and other assets without being subject to inheritance tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$1,586.9	\$1,653.2	\$1,722.7	\$1,797.7	\$1,872.8	\$1,951.1	\$2,033.2

Beneficiaries: Approximately 34,000 estates benefit from this tax expenditure.

EXEMPTION FOR TRANSFERS OF PROPERTY FROM A CHILD TO PARENT

Description: Property passing from a child twenty-one years of age or younger to a parent is subject to a zero percent tax rate. This estimate measures the difference between taxing child to parent transfers at the lineal rate of 4.5 percent and the child to parent rate of zero percent.

Purpose: This provision reduces the tax burden on families receiving assets due to the untimely death of a child. The transfer of assets to parents was previously taxed as a lineal transfer. This rate change, authorized by Act 23 of 2000, is effective for decedents dying July 1, 2000 or later.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.4	\$ 1.4

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 24.9	\$ 25.9	\$ 27.0	\$ 28.2	\$ 29.3	\$ 30.6	\$ 31.9

Beneficiaries: Approximately 4,600 estates benefit from this tax expenditure.

LIFE INSURANCE PROCEEDS

Description: Life insurance proceeds, whether or not payable to the estate of the decedent, are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on the insurance beneficiaries of the decedent, who are likely to be family members. A common reason for purchasing life insurance is to assist with the payment of inheritance and estate taxes.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 124.3	\$ 128.9	\$ 133.7	\$ 138.6	\$ 143.7	\$ 149.1	\$ 154.6

Beneficiaries: Estates of the decedents associated with approximately 99,000 life insurance policies benefit from this expenditure.

FEDERAL WAR RISK INSURANCE AND NATIONAL SERVICE LIFE INSURANCE PROCEEDS

Description: Proceeds of federal war risk insurance, national service life insurance, or other similar governmental insurance are exempt from inheritance tax.

Purpose: This provision lessens the tax burden on beneficiaries of U.S. military personnel and dependents who receive increased insurance when stationed in an area where military conflict is possible.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	NA	NA	NA	NA

Beneficiaries: The families of fallen Pennsylvanians benefit from this tax expenditure.

FAMILY EXEMPTION

Description: A \$3,500 family exemption from inheritance tax is permitted for the decedent's surviving spouse, children, or parents living in the decedent's household at the time of death.

Purpose: This provision allows a small tax-free transfer of property to immediate family members residing with the decedent. Smaller taxable estates benefit to a greater extent.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.8	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.9	\$ 2.0	\$ 2.0

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 7.3	\$ 7.7	\$ 8.1	\$ 8.6	\$ 9.0	\$ 9.5	\$ 10.0

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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 61.3	\$ 63.9	\$ 66.5	\$ 69.4	\$ 72.3	\$ 75.3	\$ 78.5

Beneficiaries: Approximately 48,000 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 74.6	\$ 77.8	\$ 81.1	\$ 84.5	\$ 88.1	\$ 91.8	\$ 95.6

Beneficiaries: Approximately 35,800 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Beneficiaries: As many as 60,900 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: An estimated 200 estates receive lump sum benefit payments from the U.S. Railroad Retirement Board.

ADVANCEMENTS

Description: Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within one year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

Purpose: Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts that are not intended to avoid the tax.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 60,900 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

NOMINAL OWNERSHIP OF PROPERTY

Description: Property held in the name of a decedent who held no beneficial interest in the property is exempt from inheritance tax.

Purpose: This provision prevents property in which the decedent had no real interest from being included in the taxable estate.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

BUSINESS RELATED EXCLUSIONS AND DEDUCTIONS

PREFERENTIAL VALUATION OF FARMLAND

Description: Farmland which was devoted to agricultural use for the three years preceding the death of the decedent, and is not less than 10 contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

Purpose: This provision helps to maintain family farms since land currently devoted to agricultural use is often more valuable if developed.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

SMALL BUSINESS INTEREST TRANSFER EXTENDED PAYMENT SCHEDULE

Description: The inheritance tax due on the transfer of a qualified small business interest may be paid in twenty consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of nine percent per annum.

Purpose: This provision helps protect small businesses upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

PREFERENTIAL VALUATION OF AGRICULTURAL CONSERVATION EASEMENTS

Description: An agricultural conservation easement is a deed restriction landowners voluntarily place on their property to protect productive agricultural land. They are used to authorize a qualified conservation organization or public agency to monitor and enforce the restrictions set forth in the agreement. Act 67 of 2006 provided that the value of an agricultural conservation easement is set at 50 percent of what the land would otherwise be valued for purposes of inheritance tax assessments.

Purpose: This provision helps to maintain family farms and increase participation in the preservation of the commonwealth's farmland.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6

Beneficiaries: The owners of 58,800 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 5.2	\$ 5.2	\$ 5.4	\$ 5.6	\$ 5.8	\$ 6.1	\$ 6.4

Beneficiaries: The owners of 58,800 farms might benefit from this tax expenditure.

FAMILY-OWNED BUSINESS TRANSFERS TO FAMILY MEMBERS

Description: Effective July 1, 2013, a transfer of a family-owned, small business interest to members of the same family is exempt from inheritance tax, provided that after the transfer, the family-owned business interest continues to be owned by a family member for a minimum of seven years beyond the decedent's date of death. The exemption is limited to qualified family-owned business interests, defined as having fewer than 50 full-time equivalent employees, a net book value of assets less than \$5 million, and being in existence for at least five years, as of the decedent's date of death. The exemption does not apply to property transferred into the business within one year of the decedent's date of death.

Purpose: This provision helps to maintain family-owned, small businesses.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 7.1	\$ 7.9	\$ 8.3	\$ 8.7	\$ 9.1	\$ 9.4	\$ 9.8

Beneficiaries: The owners of 273,000 family-owned, small businesses might benefit from this tax expenditure.

OTHER EXCLUSIONS

TRANSFERS TO GOVERNMENTS

Description: Intervivos transfers and bequests to governments are exempt from inheritance tax.

Purpose: This exemption is an indirect means of assistance to governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 3,500 governmental units could benefit from this tax expenditure.

TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS

Description: Intervivos transfers and bequests to charitable and fraternal organizations are exempt from inheritance tax.

Purpose: Charitable and fraternal organizations provide public services that are believed to benefit citizens. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 117.6	\$ 122.6	\$ 127.7	\$ 133.1	\$ 138.8	\$ 144.6	\$ 150.7

Beneficiaries: An estimated 32,600 charitable and fraternal organizations might benefit from this tax expenditure.

TABLE GAME TAXES

Authorization: Chapter 13A of Title 4 of the Pennsylvania Consolidated Statutes.

Act 1 of January 7, 2010, (P.L. 1, No. 1) imposed table game taxes on gross table game revenue of licensed gaming entities in Pennsylvania.

The table game taxes are imposed on gross table game revenue, which is defined as total cash or cash equivalents received in the playing of table games, contest or tournament fees or payments, and total amount of rakes collected minus cash or cash equivalents paid out, paid to purchase annuities to fund prizes, and paid for personal property distributed to patrons as a result of playing a table game.

The tax rates are 14 percent of gross table game revenue for two years following commencement of table game operations at the facility and 12 percent thereafter, and an additional 34 percent of gross table game revenue from table games played on fully automated electronic gaming tables.

Table game taxes contain no tax expenditures as defined for this tax expenditure analysis.

LIQUID FUELS AND FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

Act 89 of 2013 (HB 1060, PN 2697) eliminated the permanent trust fund tax of 12 cents per gallon established by the Act of April 17, 1997 (P.L. 1531, No. 3) on all taxable liquid fuels and fuels used or sold and delivered by distributors of the commonwealth, effective January 1, 2014. Aviation gasoline and jet fuel are also taxed under Chapter 90. However, separate tax rates are set for these fuels. Effective January 1, 2016, the tax rate for aviation gasoline is 5.5 cents per gallon, and the tax rate for jet fuels is 1.6 cents per gallon.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax of 153.5 mills for all taxable liquid fuels and 208.5 mills for all taxable fuels on oil companies conducting business in Pennsylvania. Act 89 of 2013 (HB 1060, PN 2697) added an additional 64 mills in 2014, 49 mills in 2015, 48 mills in 2016, 41 mills in 2017, and 39 mills in 2018 and each calendar year thereafter on all taxable liquid fuels and fuels. The oil company franchise tax is calculated annually by multiplying the average wholesale price (established by the Department of Revenue) by the millage rates above. The resulting product is the effective tax rate that is multiplied by the total taxable gallons of fuels and liquid fuels. Act 89 of 2013 set the average wholesale price at \$1.87 in 2014, \$2.49 in 2015 and 2016, and in 2017 the average wholesale price will be uncapped. There is also a statutory average wholesale price floor set at \$2.99 for 2017 and each year thereafter. Prior to Act 89, the Act of July 22, 1983 (P.L. 122, No. 32) set minimum and maximum average wholesale prices at \$0.90 and \$1.25 per gallon, respectively. The tax rate for calendar year 2016 is 50.3 cents per gallon for liquid fuels and 64.0 cents per gallon for fuels. Receipts from 57 mills of the tax on liquid fuels and fuels are deposited as unrestricted Motor License Fund revenue, along with the mills added by Act 89 of 2013. However, 4.17 percent of the mills added by Act 89 are transferred to the Liquid Fuels Tax Fund.

ALTERNATIVE FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes.

The Act of April 17, 1997 (P.L. 1531, No. 3) imposed a tax on alternative fuels used to propel vehicles on public highways. Alternative fuels include natural gas, compressed natural gas, liquid propane gas and liquefied petroleum gas, alcohols, gasoline-alcohol mixtures containing at least 85 percent alcohol by volume, hydrogen, electricity, and any other fuel not taxable as liquid fuels or fuels. The tax rate applied to each gasoline gallon equivalent of alternative fuel equals the current liquid fuels tax and oil company franchise tax applicable to one gallon of gasoline.

Administrative Costs: Costs to administer the multiple tax expenditures associated with the liquid fuels and fuels, oil company franchise, and alternative fuels taxes cannot be separately identified. Tax expenditures are a significant factor associated with the need for more compliance audits and the increased complexity of such audits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</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)							
Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	
\$ 42.3	\$ 47.4	\$ 50.8	\$ 55.4	\$ 55.6	\$ 56.0	\$ 56.5	

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)							
Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 13.7	\$ 15.4	\$ 16.5	\$ 18.0	\$ 18.0	\$ 18.2	\$ 18.3

Beneficiaries: Approximately 1,800 volunteer fire departments and an unknown number of other volunteer organizations benefit from these tax expenditures.

Motor License Fund Tax Expenditures

NONPROFIT NONPUBLIC SCHOOLS

Description: Fuel purchased by any nonprofit nonpublic school in which a commonwealth resident may legally fulfill compulsory school attendance requirements is granted an exemption from the tax.

Purpose: Since state government indirectly subsidizes transporting public school children, this exemption provides similar treatment to nonprofit nonpublic schools.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: As many as 3,000 nonprofit nonpublic schools may benefit from these tax expenditures.

SECOND CLASS COUNTY PORT AUTHORITIES

Description: Purchases of fuel by second class county port authorities are exempt from the tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One second class county port authority benefits from this tax expenditure.

Motor License Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Fuel purchases for vehicles operated by electric cooperatives are exempt from the tax.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide a public benefit. This exemption permits this service to be rendered at a reduced cost.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: There are 13 electric cooperative in the commonwealth that benefit from these tax expenditures.

AGRICULTURAL USE

Description: A full refund of tax paid is granted for fuel consumed in agricultural use relating to the actual production of farm products. Fuel used in farm machinery or equipment engaged in the production or harvesting of agricultural products is exempt from taxation under these provisions.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 4.3	\$ 4.8	\$ 5.1	\$ 5.6	\$ 5.6	\$ 5.6	\$ 5.7

Beneficiaries: Individuals operating approximately 58,800 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)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 3.6	\$ 4.0	\$ 4.3	\$ 4.7	\$ 4.7	\$ 4.7	\$ 4.8

Beneficiaries: Approximately 380 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)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 10 taxpayers benefit from these tax expenditures.

Motor License Fund Tax Expenditures

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels and fuels tax return and payment due are timely filed. This will be in effect until December 31, 2013. Starting January 1, 2014 the discount is based on the gross tax due on the oil company franchise tax mills added by Act 89 of 2013. Returns and payments are generally due on or before the 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 tax reports and payments.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise Tax:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 5.2	\$ 5.2	\$ 5.3	\$ 5.3	\$ 5.1	\$ 5.2	\$ 5.2

Beneficiaries: Approximately 950 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)

Estimates:	Liquid Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Jet Fuel & Aviation Gasoline:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA
	Fuels:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
	Oil Company Franchise:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of foreign diplomats benefiting from these tax expenditures is unknown but presumed to be nominal.

Motor License Fund Tax Expenditures

BUSES

Description: A bus company is entitled to a refund equal to 55 mills of the oil company franchise tax imposed on fuels consumed by motorbuses within this commonwealth.

Purpose: Act 3 of 1997 repealed the 6 cent surtax imposed on all motor carriers and replaced it with a 55 mill increase in the oil company franchise tax imposed on fuels. Since buses were historically exempt from the surtax, they have been granted a refund for the 55 mill surtax replacement effective January 1, 1999.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9

Beneficiaries: Approximately 95 bus companies benefit from this tax expenditure.

MOTOR CARRIERS ROAD TAX / IFTA

Authorization: Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes.

The motor carriers road tax is equal to the current Pennsylvania liquid fuels and fuels or alternative fuels tax rate per gallon plus the oil franchise tax currently in effect. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. Effective October 1, 1997, this tax was repealed and replaced by a tax of 55 mills on each gallon of fuels and collected through the oil company franchise tax. Effective January 1, 1996, under Act 75 of 1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed, or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight, or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the motorbus road tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

Administrative Costs: Costs to administer the multiple tax expenditures associated with motor carrier road tax/IFTA cannot be identified separately. Tax expenditures are not believed to be a significant factor associated with the need for more compliance audits and contribute minimally to the length of time necessary to complete such audits.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

POLITICAL SUBDIVISIONS

Description: Vehicles operated by political subdivisions are exempt from the requirements of the motor carriers road tax.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 26.0	\$ 33.2	\$ 34.9	\$ 39.2	\$ 39.5	\$ 40.0	\$ 40.7

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

FARM VEHICLES

Description: Qualified motor vehicles bearing a Pennsylvania farm truck registration operating under restricted use, and farm vehicles exempt from registration, are exempt from the motor carriers road tax.

Purpose: This exemption allows farmers to provide agricultural products at a reduced cost.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 7.4	\$ 9.4	\$ 9.9	\$ 11.1	\$ 11.2	\$ 11.3	\$ 11.5

Beneficiaries: Individuals operating approximately 58,800 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 13.5	\$ 17.2	\$ 18.1	\$ 20.3	\$ 20.5	\$ 20.7	\$ 21.1

Beneficiaries: Approximately 1,800 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 2,200 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: The owners of approximately 200 implements of husbandry vehicles benefit from this tax expenditure.

Motor License Fund Tax Expenditures

CHARITABLE AND RELIGIOUS ORGANIZATIONS

Description: Vehicles operated by charitable and religious organizations are exempt from the motor carriers road tax.

Purpose: These organizations provide services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.5	\$ 3.2	\$ 3.3	\$ 3.7	\$ 3.8	\$ 3.8	\$ 3.9

Beneficiaries: Approximately 25,100 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: As many as 10,400 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The 13 electric cooperatives in the commonwealth benefit from this tax expenditure.

Motor License Fund Tax Expenditures

VEHICLES NEEDING EMERGENCY REPAIRS

Description: A qualified motor vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this commonwealth, is exempt from the motor carriers road tax.

Purpose: This exemption was granted due to the temporary emergency nature of the vehicle entering Pennsylvania for needed repairs.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The number of individuals benefiting from this tax expenditure is unknown.

VEHICLES SECURING REPAIRS OR RECONDITIONING

Description: Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

Purpose: This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

SCHOOL BUSES

Description: Buses designed to carry 11 or more passengers used for the transportation of preprimary, primary, or secondary school students to or from public, private, or parochial schools, or school-related activities or events are exempt from the motor carriers road tax.

Purpose: Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 13.9	\$ 17.8	\$ 18.6	\$ 21.0	\$ 21.1	\$ 21.4	\$ 21.7

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

Motor License Fund Tax Expenditures

RECREATIONAL VEHICLES

Description: Qualified motor vehicles, such as motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by individuals, are exempt from the motor carriers road tax.

Purpose: The motor carrier road tax/IFTA requirements are intended to apply to selected commercial vehicles. This provision exempts personal use only vehicles which would otherwise be subject to these taxing requirements.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

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

MOTOR VEHICLE CODE

Authorization: The Motor Vehicle Code, contained in Title 75 of the Act of June 17, 1976 (P.L. 162, No. 81), became effective July 1, 1977. This amended the Act of April 29, 1959 (P.L. 58, No. 32) known as The Vehicle Code. Contained in the Motor Vehicle Code are provisions for the titling, registration and licensing of vehicles, operation of vehicles, vehicle characteristics, and the administration and enforcement of the code.

Administrative Costs: Costs to administer the motor vehicle code tax expenditures are borne by the Department of Transportation and cannot be separately identified.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</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)

Estimates:	Disabled/Severely Disabled Veterans:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
		\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: The owners of approximately 5,500 vehicles benefit from this tax expenditure.

Charitable Organizations:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4

Beneficiaries: The owners of approximately 17,500 vehicles benefit from this tax expenditure.

Former Prisoners of War:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 260 vehicles benefit from this tax expenditure.

Farm Trucks:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 3.4	\$ 3.5	\$ 3.5	\$ 3.7	\$ 3.7	\$ 4.0	\$ 4.0

Beneficiaries: The owners of approximately 10,100 farm trucks benefit from this tax expenditure.

Motor License Fund Tax Expenditures

Emergency Vehicles:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 6.4	\$ 6.5	\$ 6.6	\$ 6.9	\$ 7.0	\$ 7.4	\$ 7.5

Beneficiaries: Organizations owning approximately 15,500 vehicles benefit from this tax expenditure.

Political Subdivisions:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 17.9	\$ 19.6	\$ 19.8	\$ 20.8	\$ 21.0	\$ 22.3	\$ 22.5

Beneficiaries: Approximately 3,130 governmental units benefit from this tax expenditure.

Older Pennsylvanians:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
\$ 5.0	\$ 4.7	\$ 4.9	\$ 5.4	\$ 5.7	\$ 6.3	\$ 6.6

Beneficiaries: Older Pennsylvanians owning approximately 130,600 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: The owners of approximately 70 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>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.1	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5

Beneficiaries: The owners of approximately 8,000 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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.2	\$ 0.9	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0

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)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms that wish to haul loads that exceed the maximum size or weight specifications of certain highways and bridges. The commonwealth administratively grants an exemption from the permit fee to political subdivisions.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.

Motor License Fund Tax Expenditures

POLICE ACCIDENT REPORTS

Description: Traffic accident reports are generated as a result of any accident where there is bodily injury or death or if one or more vehicles must be towed from the scene. A fee is charged to obtain a copy of the police accident report. The commonwealth administratively grants an exemption for paying an accident report fee to political subdivisions.

Purpose: This exemption provides local prosecuting officials an aid in law enforcement.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: As many as 3,130 political subdivisions may benefit from this tax expenditure.

Racing Fund Tax Expenditures

The Racing Fund, a special revenue fund, is comprised of monies received from taxes, licenses and fees, and miscellaneous revenues collected by the State Racing Commissions derived from the regulation of harness and horse racing. Prior to December 30, 1983, thoroughbred racing tax revenues consisted of wagering, breakage, and admissions taxes. Harness racing tax revenues consisted of wagering and admissions taxes as assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. This act also amended portions of the Race Horse Industry Reform Act relating to taxation.

Administrative Costs: Administrative costs associated with these tax expenditures are nominal.

WAGERING TAX

Authorization: Act of May 16, 1986 (P.L. 205, No. 63).

NEW CORPORATIONS

Description: Racing corporations licensed after May 16, 1986 are subject to a reduced wagering tax rate of one percent rather than the normal 1.5 percent rate for a period of four years.

Purpose: This provision may have been perceived as an incentive to promote the formation of new racing corporations.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Any racing corporation licensed after the cited date will benefit from this tax expenditure.

ADMISSIONS TAX

Authorization: Department of Revenue letter ruling with concurrence of counsel for Racing Commission.

DARK DAY SIMULCASTS

Description: The minimum admissions tax, currently five percent of 50 cents, is waived at events where no admission charge is levied and where simulcasts of races from other facilities are featured rather than live races.

Purpose: This provision may have been perceived as a way to promote simulcast attendance at commonwealth racing facilities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: All seven racing associations benefit from this tax expenditure.

UNEMPLOYMENT COMPENSATION INSURANCE TAX

Administrative Costs: The costs of administering the tax expenditure associated with the unemployment compensation insurance tax are nominal.

LIMITATION OF THE TAXABLE WAGE BASE

Authorization: Act of December 5, 1936 (2nd special session, 1937 P.L. 2897, No. 1), 4(x)(1), as amended, 43 P.S. 753(x)(1).

The purpose of the tax is to provide a fund from which compensation is paid to workers who have become unemployed through no fault of their own. Contributions are required to be made by all employers who pay wages to individuals working in Pennsylvania and whose services are covered under the unemployment compensation law. This tax may include employee contributions withheld by employers from each employee's gross wages. The Pennsylvania Unemployment Compensation Law is administered by the Department of Labor and Industry.

Description: The commonwealth's unemployment compensation law provides for a limitation of the taxable wage base to the first \$8,000 of wages paid to each employee during a calendar year by an employer. Prior to 1984 the limitation on taxable remuneration had been \$7,000. All state governments are required by the federal government to tax at least the first \$7,000 of subject wages. Many states, including Pennsylvania, have chosen to keep their bases close to the federal minimum. The estimate represents the cost of this limitation as measured by the difference between contributions based on taxable wages and contributions based on total wages. In 1988, legislation was enacted which provides for a "trigger" mechanism to regulate employer and employee contributions. The trigger mechanism, working in conjunction with the experience rating system, would change tax rates in response to a change in the taxable wage base. The methodology used for this estimate does not incorporate the changes that would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$10,786.4	\$10,823.3	\$10,966.3	\$11,258.2	\$11,782.0	\$12,336.0	\$12,901.4

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 2015 there were 282,575 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division¹:

Natural Resources and Mining	3,757	Financial Activities.....	18,459
Construction	28,201	Professional and Business Services	53,447
Manufacturing	13,439	Education and Health Services	47,833
Trade.....	48,779	Leisure and Hospitality	27,006
Transportation, Warehousing, Utilities....	7,833	Other Services	29,154
Information	3,464	Local Government.....	1,196

^{1/}Based on NAICS industry classification. Data may not add to totals due to the unavailability of industry classification for some employers.

PUBLIC TRANSPORTATION ASSISTANCE FUND

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

The Public Transportation Assistance Fund provides for the capital, asset maintenance, and certain other transportation needs of the commonwealth's public transit entities.

Fund revenues are derived from a motor vehicle lease tax; a motor vehicle rental fee; a fee on the sale of new tires; 0.44 percent of total sales and use tax receipts in lieu of the repealed periodicals tax; 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers; and 0.417 percent of sales and use tax in lieu of transfers from the public utility realty tax (PURTA) and the utilities gross receipts tax. By provisions of Act 46 of 2003, beginning in fiscal year 2003-04, revenues associated with the 7.6 mills of PURTA, previously transferred to this fund, will remain in the General Fund. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in fiscal year 1998-99. Act 46 of 2003 repealed this transfer effective for fiscal year 2003-04 and forward. Certain entities and transactions are exempt from these taxes and fees. With the exception of the fee on tires and the class 4 and above motor carrier tax expenditure, the remaining tax expenditures parallel those in the General Fund sales and use tax expenditures.

Administrative Costs: Administrative costs are believed to be nominal.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The commonwealth levies a three percent tax on the total price charged for each lease of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

A fee of \$2 per day or portion of a day is imposed on each rental of a motor vehicle subject to tax under Article II of the Tax Reform Code of 1971.

COMMON CARRIERS

Description: Vehicles leased or rented by a public utility, engaged in business as a common carrier, to be used in rendering utility services, are exempt from taxation. Since the enactment of the Federal Aviation Act, effective January 1, 1995, Pennsylvania has recognized contract carriers as common carriers. Household goods carriers and private carriers remain taxable.

Purpose: Without this exemption, the tax would be built into the rate base of these types of public utility services and, ultimately, passed on to consumers. Therefore, this exemption reduces the overall cost of utility services that are considered to be basic necessities.

(Dollar Amounts in Millions)

Estimates: Motor Vehicle Leases:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
NA	NA	NA	NA	NA	NA	NA

Motor Vehicle Rentals:

<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 7,500 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>	Motor Vehicle Leases:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5	\$ 2.5
	Motor Vehicle Rentals:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 6,200 schools may benefit from this tax expenditure.

MOTOR CARRIERS (CLASS 4 AND ABOVE)

Description: Motor carriers in vehicle classes 4 and above are exempt from the motor vehicle lease tax.

Purpose: This exemption benefits those entities engaged in commercial leasing. Presumably, many of these vehicles are operated as common carriers that are normally treated as a utility service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The owners of approximately 416,000 motor carrier vehicles (class 4 and above) could benefit from this tax expenditure.

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property to or for use by any charitable organization, volunteer fireman's organization, nonprofit educational institution, or religious organization is exempt from taxation. Transactions unrelated to the trade or business of such organizations are taxable.

Purpose: These organizations provide public and charitable services that are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:

Motor Vehicle Leases:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Motor Vehicle Rentals:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 30,000 organizations may benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The lease or rental of personal property to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:

Motor Vehicle Leases:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1

Motor Vehicle Rentals:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.

VENDOR DISCOUNT

Description: A licensed vendor is permitted a one percent discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is filed or 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 motor vehicle lease tax and motor vehicle rental fee.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2

Beneficiaries: Approximately 1,200 vendors may benefit from this tax expenditure.

TIRE FEE

The commonwealth imposes a \$1 fee per tire on each sale of new tires intended for highway use.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of new tires to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent only local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal

Beneficiaries: Approximately 3,130 political subdivisions may benefit from this tax expenditure.

VENDOR DISCOUNT

Description: A licensed vendor is permitted a one percent discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is filed or 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 tire fee.

(Dollar Amounts in Millions)

Estimates:	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 4,500 vendors may benefit from this tax expenditure.



Commonwealth of Pennsylvania

Governor's Executive Budget

DEPARTMENT PRESENTATIONS

This section provides detailed expenditure information by agency, program and funding source. Each department presentation includes a Summary by Fund and Appropriation, Program Funding Summary, program subcategory information and Program Measures.

The Summary by Fund and Appropriation presentation is organized by fund, character of expenditures, state appropriation and the federal funds, augmentations and other funds that supplement the activities funded by each state appropriation. Three fiscal years are displayed. The Program Funding Summary presents general, special, federal and other funding organized by program subcategory. Each program subcategory includes a program objective, a narrative describing program activities and services, funding recommendations that identify increases or decreases over available year funding, and a list of state appropriations that support the activities within the program. Program Measures is the last section in the agency presentation and is a seven-year presentation of performance measures that identify program activities and outcomes and the impact the proposed budget is expected to have on those activities and outcomes.

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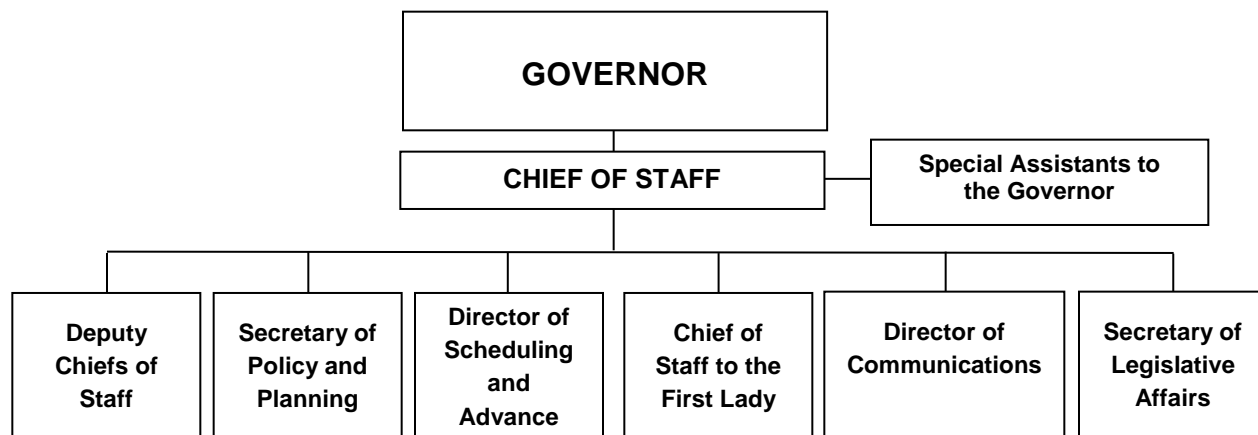
GOVERNOR'S OFFICE

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 Goals

Executive Direction: *To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.*

Organization Overview



- **Deputy Chiefs of Staff** are senior advisors on policy and operations; partner with state agencies to coordinate cohesive strategies that reflect the governor's initiatives; and work with citizens and stakeholders on advancing sound policies in the commonwealth.
- **Secretary of Policy and Planning** coordinates program planning and policy development among the executive branch agencies, and directs and coordinates efforts of the policy offices of the various executive branch agencies.
- **Director of Scheduling and Advance** works closely with the governor to develop and implement the governor's daily schedule; manages all invitations; and advances and staffs each event to ensure that all logistical arrangements are appropriately handled.
- **Chief of Staff to the First Lady** oversees the management of the First Lady's personal initiatives, public events, and outreach projects with governmental agencies and community organizations across the state.
- **Director of Communications** articulates the governor's agenda and actions to the people of Pennsylvania, while responding to inquiries about the Executive branch of state government from news-gathering organizations and from the public. The director oversees the planning and management of the governor's many public undertakings and directs and supervises the communications offices in each of the Executive branch agencies.
- **Secretary of Legislative Affairs** serves as the principal representative of the Office of the Governor in all issues and activities related to the legislative process of the General Assembly. The secretary also serves as a senior policy advisor to the governor.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
66	66	68	68	68

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Governor's Office.....	\$ 6,508	\$ 6,503 ^a	\$ 6,887

^a Includes recommended supplemental appropriation of \$19,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 6,508	\$ 6,503	\$ 6,887	\$ 6,956	\$ 7,025	\$ 7,096	\$ 7,167
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 6,508</u>	<u>\$ 6,503</u>	<u>\$ 6,887</u>	<u>\$ 6,956</u>	<u>\$ 7,025</u>	<u>\$ 7,096</u>	<u>\$ 7,167</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,508	\$ 6,503	\$ 6,887	\$ 6,956	\$ 7,025	\$ 7,096	\$ 7,167
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	<u>\$ 6,508</u>	<u>\$ 6,503</u>	<u>\$ 6,887</u>	<u>\$ 6,956</u>	<u>\$ 7,025</u>	<u>\$ 7,096</u>	<u>\$ 7,167</u>

Program: Executive Direction

Goal: To provide an effective administrative system through which the substantive program goals of the commonwealth can be accomplished.

The Pennsylvania Constitution vests the executive authority of the commonwealth in the governor. It is the duty of the governor to ensure that the laws of the commonwealth are faithfully executed. The governor also oversees the publication of public information including bulletins of the work of state government. The governor submits an annual budget to the general assembly and performs all other functions required of this office as delegated by the State Constitution and in law.

This program also provides for the governor's residence. The residence is used for state functions and is available as a domicile for the governor and the first family. The expenses for official functions, as well as those essential to managing a household, are paid from the Governor's Office appropriation. The maintenance of the residence is primarily the responsibility of the Department of General Services. Equipment, supplies (except food) and housekeeping services are provided by the department.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 384 **Governor's Office**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Governor's Office	\$ 6,508	\$ 6,503	\$ 6,887	\$ 6,956	\$ 7,025	\$ 7,096	\$ 7,167

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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 Goals

Executive Direction: *To provide an effective administrative system through which the substantive programs of the commonwealth can be achieved.*

Legal Services: *To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.*

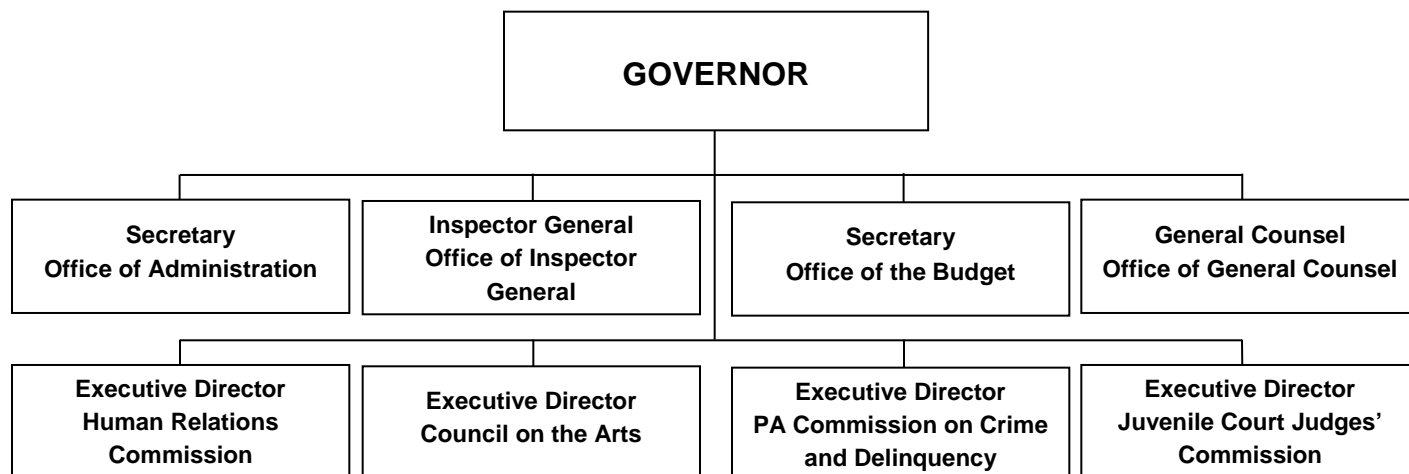
Prevention and Elimination of Discriminatory Practices: *To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.*

Development of Artists and Audiences: *To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.*

Criminal and Juvenile Justice Planning and Coordination: *To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.*

Reintegration of Juvenile Delinquents: *To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.*

Organization Overview



- **Office of Administration** directs the commonwealth's deployment of technology, human resources for employees, and the planning and coordination among state agencies to ensure critical government services continue during emergencies.
- **Inspector General** oversees the prevention, investigation, and eradication of fraud, waste, abuse and misconduct in the programs, operations, and contracting of executive agencies under the Governor's jurisdiction.
- **Office of the Budget** oversees the preparation and implementation of the state budget, and the commonwealth's uniform accounting, payroll and financial reporting systems.
- **General Counsel** oversees the legal representation of 36 executive and independent agencies across the commonwealth.
- **Human Relations Commission** is responsible for enforcing state laws that prohibit discrimination.
- **Council on the Arts** oversees the administration of the Council's funding programs, partnerships, initiatives and provides assistance to the commonwealth's arts organizations, art programs and individual artists as well as the general public.
- **PA Commission on Crime and Delinquency** oversees the commission's efforts to initiate, validate, and financially support justice-related programs put forth by practitioners and experts in the justice system.
- **Juvenile Court Judges' Commission** oversees the development and improvement of juvenile probation services throughout the commonwealth.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
2,066	2,042	1,887	1,789	1,733

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2014-15	2015-16	2016-17
ACTUAL	AVAILABLE	BUDGET

GENERAL FUND:**General Government:**

Office of Administration	\$ 8,267	\$ 8,640^a	\$ 9,229
(A)Classification and Pay Services.....	2,836	2,835	2,888
(A)Benefit Administration.....	573	779	600
(A)Workplace Support Division (SEAP).....	3,392	2,910	2,910
(A)Temporary Clerical Pool.....	5,118	4,380	4,380
(A)Governor's Innovation Office.....	2,825	2,178	2,378
(A)CDL Drug and Alcohol Testing.....	239	295	310
(A)Labor Relations.....	4,796	1,864	1,864
(A)Managing for Government Responsiveness Training.....	193	325	325
(A)Group Life Insurance Program Commissions.....	100	100	100
(A)Leadership Development Institute.....	82	80	80
(A)HR Shared Services Center.....	8,183	8,729	9,046
(A)PHMC Personnel Services.....	52	53	100
(A)PHRC Personnel Services.....	0	0	79
Subtotal.....	\$ 36,656	\$ 33,168	\$ 34,289

Medicare Part B Penalties	179	175	175
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Commonwealth Technology Services	54,768	59,809^b	61,444
(F)ARRA - Broadband Technology Opportunities - Mapping.....	3,655	0	0
(F)NSTIC Grant.....	225	225	0
(F)Information Sharing Initiative.....	246	246	0
(F)JNET MARIS Federated Person Search (EA).....	218	209	218
(F)JNET Inter-County Case Transfer (EA).....	0	102	0
(A)Integrated Enterprise System.....	39,308	36,601	35,294
(A)Project Management Resources.....	2	25	25
(A)Shared Service Delivery.....	249	417	417
Subtotal.....	\$ 98,671	\$ 97,634	\$ 97,398

Office of Inspector General	4,152	3,998	4,375
(A)Reimbursements for Special Fund Investigations.....	1,111	1,111	1,111
Subtotal.....	\$ 5,263	\$ 5,109	\$ 5,486

Inspector General - Welfare Fraud	12,705	12,537^c	12,958
(F)TANFBG - Program Accountability.....	1,500	1,500	1,500
(F)Food Stamps - Program Accountability.....	7,000	7,000	7,000
(F)Medical Assistance - Program Accountability.....	4,200	4,200	4,200
(F)CCDFBG - Subsidized Day Care Fraud.....	905	905	905
Subtotal.....	\$ 26,310	\$ 26,142	\$ 26,563

Office of the Budget	18,692	18,692^d	19,103
(A)Support for Commonwealth Payroll Operations.....	6,596	6,411	6,411
(A)BOA - Single Audit.....	655	670	670
(A)Comptroller Single Audit.....	3,500	2,675	2,675
(A)Support for PLCB Comptroller's Office.....	5,137	5,419	5,419
(A)Support for Comptroller Services.....	32,919	32,002	32,002
(A)OAS Support Services.....	41	144	40
(A)Litigation Settlement.....	236	0	0
Subtotal.....	\$ 67,776	\$ 66,013	\$ 66,320

Audit of the Auditor General	99	0	0
Interest Reimbursement	0	10,700^e	0

Office of General Counsel	3,230	3,222	3,700
(A)CLE Registration Fees.....	182	121	121
(A)USTIF Settlement.....	548	388	60
Subtotal.....	\$ 3,960	\$ 3,731	\$ 3,881

Human Relations Commission	9,256	9,650^f	10,148
(F)EEOC - Special Project Grant.....	1,562	1,562	1,100

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(F)HUD - Special Project Grant.....	1,046	1,046	800
(A)Miscellaneous Revenues.....	7	0	0
Subtotal.....	\$ 11,871	\$ 12,258	\$ 12,048
Council on the Arts.....	898	892	903
(F)NEA - Grants to the Arts - Administration.....	684	936	563
Subtotal.....	\$ 1,582	\$ 1,828	\$ 1,466
Juvenile Court Judges Commission.....	2,800	2,986^g	3,082
Subtotal.....	\$ 2,800	\$ 2,986	\$ 3,082
Public Employees Retirement Commission.....	914	605^h	0
Subtotal.....	\$ 914	\$ 605	\$ 0
Commission on Crime and Delinquency.....	4,007	4,017	4,148
(F)Plan for Juvenile Justice.....	200	150	150
(F)Justice Assistance Grants.....	18,000	15,000	15,000
(F)Justice Assistance Grants - Administration.....	1,500	1,300	1,300
(F)Juvenile Justice - Title V.....	300	0	0
(F)Statistical Analysis Center.....	150	150	150
(F)Criminal Identification Technology.....	800	1,000	1,000
(F)Crime Victims Compensation Services.....	8,500	8,500	8,500
(F)Crime Victims Assistance.....	20,000	40,000	80,000
(F)Violence Against Women.....	6,000	6,000	6,000
(F)Violence Against Women - Administration.....	500	600	600
(F)Residential Substance Abuse Treatment Program.....	1,300	1,300	1,300
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	1,400	2,000	4,000
(F)Assault Services Program.....	500	500	500
(F)Second Chance Act - Juvenile Offender Reentry.....	0	1,000	1,000
(F)Juvenile Accountability Incentive Program.....	3,000	500	500
(F)Juvenile Accountability Incentive Program - Administration.....	100	50	0
(F)Combat Underage Drinking Program.....	500	100	0
(F)Juvenile Justice and Delinquency Prevention.....	4,500	3,000	3,000
(F)Project Safe Neighborhoods.....	700	700	1,000
(F)Forensic Science Program.....	1,000	1,000	1,000
(F)Statewide Automated Victim Information Notification.....	500	0	0
(F)Adam Walsh Implementation Support.....	400	400	500
(F)Byrne Competitive Program.....	1,000	2,000	1,500
(F)Justice and Mental Health Collaboration.....	0	240	240
(F)Vision 21 State Technology.....	250	250	0
(F)Prosecutor and Defender Incentives.....	350	350	200
(F)Sex Offender Registration and Notification.....	1,000	1,000	0
(F)Children's Justice Act (EA).....	266	149	50
(F)Justice Reinvestment Initiative.....	0	1,000	1,000
(F)PA Youth Survey - DDAP (EA).....	50	50	0
(F)VOCA Training.....	0	0	1,000
(A)External Grants Non-governmental.....	20	18	0
(A)Interagency MOUs.....	1,500	4,424	580
Subtotal.....	\$ 78,293	\$ 96,748	\$ 134,218
Victims of Juvenile Offenders.....	1,300	1,300	1,300
Child Advocacy Centers.....	2,250	0	0
Violence Prevention Programs.....	4,567	3,872	3,872
(A)Interagency MOUs.....	3,335	4,506	2,628
Subtotal.....	\$ 7,902	\$ 8,378	\$ 6,500
Subtotal - State Funds.....	\$ 128,084	\$ 141,095	\$ 134,437
Subtotal - Federal Funds.....	94,007	106,220	145,776
Subtotal - Augmentations.....	123,735	119,460	112,513
Total - General Government.....	\$ 345,826	\$ 366,775	\$ 392,726

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Grants and Subsidies:			
Intermediate Punishment Treatment Programs.....	\$ 18,167	\$ 18,167	\$ 20,170
Juvenile Probation Services.....	18,945	18,945	18,945
Grants to the Arts.....	8,590	9,590	10,590
(F)NEA - Grants to the Arts.....	400	148	355
Subtotal.....	\$ 8,990	\$ 9,738	\$ 10,945
Subtotal - State Funds.....	\$ 45,702	\$ 46,702	\$ 49,705
Subtotal - Federal Funds.....	400	148	355
Total - Grants and Subsidies.....	\$ 46,102	\$ 46,850	\$ 50,060
STATE FUNDS.....	\$ 173,786	\$ 187,797	\$ 184,142
FEDERAL FUNDS.....	94,407	106,368	146,131
AUGMENTATIONS.....	123,735	119,460	112,513
GENERAL FUND TOTAL.....	\$ 391,928	\$ 413,625	\$ 442,786
MOTOR LICENSE FUND:			
General Government:			
Commonwealth Technology Services.....	\$ 1,334	\$ 1,401	\$ 1,244
OTHER FUNDS:			
GENERAL FUND:			
Victim/Witness Services.....	\$ 5,861	\$ 6,335	\$ 6,335
Crime Victims Reimbursements.....	10,441	12,996	13,170
Constables Education and Training Account.....	2,363	2,640	2,375
Luzerne County Youth Settlement.....	307	45	75
Sheriff & Deputy Sheriff Education and Training Account.....	6,104	5,544	5,089
Children's Advocacy Centers.....	0	2,700	2,000
GENERAL FUND TOTAL.....	\$ 25,076	\$ 30,260	\$ 29,044
JUSTICE REINVESTMENT FUND:			
Victim Services.....	\$ 0	\$ 1,000	\$ 1,000
Innovative Policing Grants.....	0	668	3,349
County Probation Grants.....	0	404	2,025
JUSTICE REINVESTMENT FUND TOTAL.....	\$ 0	\$ 2,072	\$ 6,374
MONETARY PENALTY ENDOWMENTS TRUST FUND:			
NCAA-Penn State Settlement (EA).....	\$ 0	\$ 4,800	\$ 4,800
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND:			
Substance Abuse Education & Demand Reduction Programs (EA).....	\$ 8,000	\$ 8,000	\$ 10,000
Substance Abuse Education & Demand Reduction - Admin (EA).....	300	300	300
SUBSTANCE ABUSE EDUCATION AND DEMAND REDUCTION FUND TOTAL.....	\$ 8,300	\$ 8,300	\$ 10,300
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 173,786	\$ 187,797	\$ 184,142
SPECIAL FUNDS.....	1,334	1,401	1,244
FEDERAL FUNDS.....	94,407	106,368	146,131
AUGMENTATIONS.....	123,735	119,460	112,513
OTHER FUNDS.....	33,376	45,432	50,518
TOTAL ALL FUNDS.....	\$ 426,638	\$ 460,458	\$ 494,548

^a Includes recommended supplemental appropriation of \$464,000.

Summary by Fund and Appropriation

- ^b Includes recommended supplemental appropriation of \$6,791,000.
- ^c Includes recommended supplemental appropriation of \$534,000.
- ^d Includes recommended supplemental appropriation of \$1,000,000.
- ^e Includes recommended supplemental appropriation of \$10,700,000.
- ^f Includes recommended supplemental appropriation of \$861,000.
- ^g Includes recommended supplemental appropriation of \$186,000.
- ^h Includes recommended supplemental appropriation of \$605,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 99,776	\$ 115,156	\$ 107,284	\$ 108,454	\$ 109,437	\$ 110,530	\$ 111,733
SPECIAL FUNDS.....	1,334	1,401	1,244	1,256	1,269	1,282	1,295
FEDERAL FUNDS.....	17,949	14,387	13,823	14,238	14,664	15,104	15,558
OTHER FUNDS.....	118,143	110,003	109,124	112,264	115,502	118,834	122,267
SUBCATEGORY TOTAL.....	<u>\$ 237,202</u>	<u>\$ 240,947</u>	<u>\$ 231,475</u>	<u>\$ 236,212</u>	<u>\$ 240,872</u>	<u>\$ 245,750</u>	<u>\$ 250,853</u>
LEGAL SERVICES							
GENERAL FUND.....	\$ 3,230	\$ 3,222	\$ 3,700	\$ 3,737	\$ 3,774	\$ 3,812	\$ 3,850
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	730	509	181	125	129	133	137
SUBCATEGORY TOTAL.....	<u>\$ 3,960</u>	<u>\$ 3,731</u>	<u>\$ 3,881</u>	<u>\$ 3,862</u>	<u>\$ 3,903</u>	<u>\$ 3,945</u>	<u>\$ 3,987</u>
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 9,256	\$ 9,650	\$ 10,148	\$ 10,249	\$ 10,351	\$ 10,455	\$ 10,560
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,608	2,608	1,900	1,900	1,900	1,900	1,900
OTHER FUNDS.....	7	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 11,871</u>	<u>\$ 12,258</u>	<u>\$ 12,048</u>	<u>\$ 12,149</u>	<u>\$ 12,251</u>	<u>\$ 12,355</u>	<u>\$ 12,460</u>
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 9,488	\$ 10,482	\$ 11,493	\$ 11,502	\$ 11,511	\$ 11,520	\$ 11,529
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,084	1,084	918	946	974	1,003	1,034
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 10,572</u>	<u>\$ 11,566</u>	<u>\$ 12,411</u>	<u>\$ 12,448</u>	<u>\$ 12,485</u>	<u>\$ 12,523</u>	<u>\$ 12,563</u>
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND.....	\$ 30,291	\$ 27,356	\$ 29,490	\$ 29,531	\$ 29,573	\$ 29,615	\$ 29,658
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	72,766	88,289	129,490	128,990	128,990	128,990	128,990
OTHER FUNDS.....	38,231	54,380	53,726	52,257	46,131	46,785	47,673
SUBCATEGORY TOTAL.....	<u>\$ 141,288</u>	<u>\$ 170,025</u>	<u>\$ 212,706</u>	<u>\$ 210,778</u>	<u>\$ 204,694</u>	<u>\$ 205,390</u>	<u>\$ 206,321</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 21,745	\$ 21,931	\$ 22,027	\$ 22,058	\$ 22,089	\$ 22,120	\$ 22,152
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>\$ 21,745</u>	<u>\$ 21,931</u>	<u>\$ 22,027</u>	<u>\$ 22,058</u>	<u>\$ 22,089</u>	<u>\$ 22,120</u>	<u>\$ 22,152</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 173,786	\$ 187,797	\$ 184,142	\$ 185,531	\$ 186,735	\$ 188,052	\$ 189,482
SPECIAL FUNDS.....	1,334	1,401	1,244	1,256	1,269	1,282	1,295
FEDERAL FUNDS.....	94,407	106,368	146,131	146,074	146,528	146,997	147,482
OTHER FUNDS.....	157,111	164,892	163,031	164,646	161,762	165,752	170,077
DEPARTMENT TOTAL.....	<u>\$ 426,638</u>	<u>\$ 460,458</u>	<u>\$ 494,548</u>	<u>\$ 497,507</u>	<u>\$ 496,294</u>	<u>\$ 502,083</u>	<u>\$ 508,336</u>

Program: Executive Direction

Goal: To provide an effective administrative system through which the substantive programs of the commonwealth can be executed.

The Executive Direction program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the commonwealth.

Program Element: Administration

The Office of Administration (OA) was established within the Governor's Office in 1955. OA provides policy direction and support to all commonwealth agencies for human resources, information technology, continuity of government, records/directives management, diversity management and strategic enhancements to help improve results, reduce costs and enhance customer service of all agencies under the governor's jurisdiction.

The Office of Human Resource Management provides policy direction and support for centralized human resource services ensuring equity by maintaining classification, pay, benefits, workers compensation systems, negotiating and administering bargaining agreements, recruiting all non-civil service positions, training in management and supervisory skills and administering equal employment opportunity programs for all agencies under the governor's jurisdiction.

The Governor's Office of Transformation, Innovation, Management and Efficiency (GO-TIME) leverages inter-agency coordination and collaboration to maximize efficiency and modernize state government operations.

The Office of Continuity and Records Information Management provides guidance for the continuance of essential government services during or shortly after a disruption or emergency. It serves as a liaison to independent agencies, the legislature and the judiciary. The office also provides comprehensive statements of policy and procedures on matters that affect agencies and employees of the executive branch.

The Office for Data and Digital Technology works with commonwealth agencies to transform the collection and use of data to better serve citizens.

Program Element: Information Technology

The Office for Information Technology is responsible for developing and administering statewide policies and standards governing the commonwealth's information technology resources and supporting several enterprise shared services.

The Enterprise Technology Services Office is responsible for overseeing the enterprise data center as well as overseeing the enterprise help desk, the state telecommunications infrastructure. The Enterprise Information Security Office oversees the commonwealth's security program.

The Bureau of Application Management and the Bureau of Integrated Enterprise Services builds and maintains enterprise applications, develops web-based applications, provides enterprise application shared services, and maintains the commonwealth's enterprise web portal. The group manages the Integrated Enterprise System (IES) which provides core budget, finance, human resources, payroll, procurement and reporting functionality to commonwealth agencies.

The Pennsylvania Justice Network (JNET) Office provides an online environment for authorized users to access public safety and criminal justice information. JNET is the commonwealth's primary public safety and criminal justice information broker providing an integrated, secure justice portal to the criminal justice community.

The Office of Strategy and Management is responsible for reviewing investments in current and future technology and managing the IT Service Management processes within the agency.

Program Element: Fraud Detection and Prevention

The Office of Inspector General (OIG) is responsible to detect, deter and eradicate fraud and waste of state resources and misconduct by state employees; keep the governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity and in accordance with applicable laws and regulations. During 2014-15, OIG conducted 574 investigations into possible fraud, waste, abuse, and misconduct in executive agencies and 510 pre-employment background investigations for commonwealth employees.

This OIG also conducts investigations into suspected welfare fraud and abuse for welfare programs administered by the Department of Human Services. The office conducts field investigations on applicants and recipients to aid in the correct determination of eligibility for welfare benefits. In 2014-15, the OIG conducted 25,756 field investigations which resulted in cost savings in excess of \$87.5 million based on ineligibility determinations. Through a fraud investigation program, the OIG investigates overpaid benefits to determine if welfare fraud occurred. In 2014-15, the OIG conducted 5,927 fraud investigations which resulted in \$5.3 million in restitution for both criminal prosecution cases and Administrative Disqualification Hearings. This also resulted in cost savings of \$2.1 million based on resulting client disqualifications. The OIG conducts collection activities which involve the recovery of overpaid benefits provided to clients due to omissions or inaccurate information supplied by clients, administrative

Program: Executive Direction (continued)

errors, and in the case of Medical Assistance, charges for services exceeding allowable amounts. In addition, OIG recovers the cost of benefits provided to recipients while they are awaiting receipt of Supplemental Security Income, tort recoveries, unemployment compensation, workers' compensation, and veterans' benefits. The recovery for all collection activities during 2014-15 is in excess of \$22 million. The cost benefit analysis for the investigation of welfare fraud is a return on investment of \$11.51 in cost savings and collections for every dollar spent on investigative activities.

Program Element: Commonwealth Budget and Accounting

The Office of the Budget assists the governor in formulating fiscal policies and procedures and in preparing

the commonwealth budget for delivery to the General Assembly. The office establishes authorized complement levels for agencies under the governor's jurisdiction. The office also prepares fiscal notes and reviews proposed regulations.

In addition, Comptroller Operations within the Office of the Budget is a shared service organization that performs professional accounting and financial reporting services – including accounts payable, accounts receivable, payroll, and employee travel – quality assurance and process improvements, internal audits, service contract reviews, and other financial functions for agencies under the governor’s jurisdiction and other independent agencies, boards, and commissions.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND			Inspector General - Welfare Fraud
	Office of Administration	\$	421	—to continue current program.
\$	589			
	Commonwealth Technology Services			Office of Budget
	—Initiative—Information Technology	\$	411	—to continue current program.
\$	6,000			
	Investments. To fund enterprise			Interest Reimbursement
	investments to improve the	\$	–10,700	—non-recurring cost.
	commonwealth's information technology			
	infrastructure.			Public Employees Retirement Commission
	—funding reduction.	\$	–605	—program elimination.
	<u>–4,365</u>			
\$	1,635			
	<i>Appropriation Increase</i>			
				All other appropriations are recommended at the current year
	Office of Inspector General			funding levels.
\$	377			
	—to continue current program.			
				MOTOR LICENSE FUND
				Commonwealth Technology Services
		\$	–157	—funding reduction.

Appropriations within this Program:

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Office of Administration.....	\$ 8,267	\$ 8,640	\$ 9,229	\$ 9,321	\$ 9,414	\$ 9,508	\$ 9,603
Medicare Part B Penalties.....	179	175	175	175	175	175	175
Commonwealth Technology Services.....	54,768	59,809	61,444	62,058	62,679	63,306	63,939
Office of Inspector General.....	4,152	3,998	4,375	4,419	4,463	4,508	4,553
Inspector General - Welfare Fraud	12,705	12,537	12,958	13,088	13,219	13,351	13,485
Office of the Budget.....	18,692	18,692	19,103	19,294	19,487	19,682	19,879
Audit of the Auditor General	99	0	0	99	0	0	99
Interest Reimbursement	0	10,700	0	0	0	0	0
Public Employees Retirement Commission	914	605	0	0	0	0	0
TOTAL GENERAL FUND	\$ 99,776	\$ 115,156	\$ 107,284	\$ 108,454	\$ 109,437	\$ 110,530	\$ 111,733
MOTOR LICENSE FUND:							
Commonwealth Technology Services.....	\$ 1,334	\$ 1,401	\$ 1,244	\$ 1,256	\$ 1,269	\$ 1,282	\$ 1,295

Program: Legal Services

Goal: To provide legal advice to the governor and the cabinet, and to supervise, coordinate and administer legal services for the commonwealth.

The Office of General Counsel (OGC) was created by Act 164 of 1980. The general counsel serves as the chief legal advisor to the governor, heads the Office of General Counsel, and appoints deputies general counsel, chief counsel and assistant counsel to assist in the performance of the responsibilities of OGC. The office represents the commonwealth, the governor, members of his cabinet and more than 30 agencies that conduct the business of the commonwealth. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of executive agencies under the governor's jurisdiction. The office also reviews and approves for form and legality all commonwealth deeds, leases, contracts, rules and regulations. The office provides advice to the governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the governor for approval.

OGC is responsible for initiating appropriate actions or defending the commonwealth when the Attorney General declines to initiate appropriate proceedings or delegates that responsibility to OGC. Upon request by the governor, the office also has the authority to intervene in any action by or against an agency under the governor's jurisdiction.

The general counsel administers the operations of the Juvenile Court Judges' Commission and supervises the legal representation for this agency as well as all other state agencies with legal staff assigned therein.

In addition, the general counsel serves as a member of the Board of Commissioners on Uniform State Laws, the Pennsylvania Emergency Management Agency, the Joint Committee on Documents, the Board of Property, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue and the Civil Disorder Commission.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 478 **Office of General Counsel**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Office of General Counsel	\$ 3,230	\$ 3,222	\$ 3,700	\$ 3,737	\$ 3,774	\$ 3,812	\$ 3,850

Program: Prevention and Elimination of Discriminatory Practices

Goal: To ensure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.

The Pennsylvania Human Relations Commission (PHRC) 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 these laws are by investigating complaints of discrimination that might result in legal proceedings and by providing educational and technical assistance to schools, police organizations, businesses, governmental bodies, and individuals. The educational and technical assistance is intended to inform the public of their statutory protections, promote voluntary compliance with the laws, and prevent civil tensions. While processing formal complaints have historically been PHRC's major focus, since 2014 some staff resources are being redirected to provide educational and technical assistance as required by PHRC's strategic plan.

The commission's Education and Outreach Services Division focuses on ensuring all students have

equal access to education by eliminating the disparities that exist in schools that are based on race, color, national origin and disabilities. In 2015-16, five urban school districts will work with the PA Department of Education and PHRC to improve the educational achievement of minority and disadvantaged students. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding their civil rights, the value of a diverse workforce, and preventing cyberbullying and hate crimes.

Federal funds are received for investigating certain complaints that are dual filed with the commission and the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development. The commission utilizes a proven, re-engineered process to fast-track cases to bring relief to victims of discrimination and those unjustly accused. To protect more Pennsylvanians from unlawful discrimination, PHRC will proactively monitor statewide trends and when warranted, initiate investigations of systemic discrimination.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 498 **Human Relations Commission**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 9,256	\$ 9,650	\$ 10,148	\$ 10,249	\$ 10,351	\$ 10,455	\$ 10,560

Program: Development of Artists and Audiences

Goal: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.

The commonwealth promotes access to the arts and cultural development for all its citizens through the Pennsylvania Council on the Arts (PCA). The PCA supports arts and cultural programs and services – particularly for school-aged children – through responsive funding and the provision of information, resources, and initiatives for arts organizations, arts programs and projects, artists, schools and educational and community organizations.

The 19-member council supports the arts through grant programs, services and a network of community-based organizations. The organizations and artists served are geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theaters and festivals.

The council has a nationally recognized funding process. It uses an advisory review process whereby local citizens review applications and make recommendations for funding to best serve their region. The council functions with input from advisory review panels that provide an evaluation of applications and feedback on program structures.

The council supports and assists the arts in the commonwealth in several specific areas: a grants program that responds to most applications and program initiatives either directly or through a decentralized network of regional funding partners; partnerships and initiatives developed by the council to seek opportunities and address issues affecting the arts that are beyond the capacity of a single arts institution; and additional services directly provided by staff and through partnerships with state, regional, and national service organizations.

The PCA has a commitment to expanding its services. Through the PCA's Arts in Education Partnership, Pennsylvania Partners in the Arts, and Preserving Diverse Cultures Division, diverse organizations, artists, ensembles, families and youth audiences are encouraged to participate in and contribute to the arts. Additionally, the PCA plays an increasingly significant role in community revitalization by advising and assisting such projects as the development of the first three cultural plans for counties in Pennsylvania (Lackawanna, York and Erie), with others in progress.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 11 Council on the Arts
—to continue current program.

\$ 1,000 Grants to the Arts
—Initiative—Promoting Arts In
Pennsylvania.To provide increased
support for the arts in Pennsylvania.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Council on the Arts	\$ 898	\$ 892	\$ 903	\$ 912	\$ 921	\$ 930	\$ 939
Grants to the Arts.....	8,590	9,590	10,590	10,590	10,590	10,590	10,590
TOTAL GENERAL FUND	\$ 9,488	\$ 10,482	\$ 11,493	\$ 11,502	\$ 11,511	\$ 11,520	\$ 11,529

Program: Criminal and Juvenile Justice Planning and Coordination

Goal: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

Established by the General Assembly in 1978, the Pennsylvania Commission on Crime and Delinquency (PCCD) is currently composed of a 48-member board whose 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. Several statutory and commission-created advisory committees, task forces, planning groups, boards and PCCD staff assist the commission in its duties.

One of the larger programs the commission administers is the Intermediate Punishment (IP) program, which provides an alternative to incarceration for low-risk, non-violent offenders at the county level. This program demonstrates significant positive results in saving jail/prison days and improving offender outcomes. PCCD research has found that of those offenders who completed the drug and alcohol treatment portion of their sentence, only 14 percent recidivated within one year of program completion.

PCCD also works with local leadership to improve county justice and local law enforcement systems. The commission has been responsible for institutionalizing County Criminal Justice Advisory Boards (CJABs), which consist of top-level county officials who address criminal justice issues from a systemic and policy level perspective, study best practices in the administration and delivery of criminal justice, engage in strategic planning, and make recommendations and establish consensus among the members to improve the effectiveness and efficiency of the county's criminal justice system. Currently, there are 65 county CJAB's that are recognized by PCCD.

PCCD plays a central role in furthering collaborative juvenile justice and delinquency prevention system enhancement initiatives with the Department of Human Services, the Juvenile Court Judges' Commission, the Council of Chief Juvenile Probation Officers, the Department of Education and other agencies. Its Violence Prevention Program supports the implementation of evidence-based delinquency and violence prevention and intervention initiatives and supports the Communities That Care (CTC) risk-focused prevention initiative. These types of initiatives have been shown to yield a \$5 return for every dollar invested.

In addition, PCCD 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. The commission compiles crime, corrections, and sentencing data; develops unified population projections for sentencing, corrections, and

probation and parole; 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.

PCCD oversees several justice training programs, including the legislatively mandated basic and continuing education training of sheriffs, deputy sheriffs and constables and deputy constables. The commission provides quality, relevant and current job-related training for local justice practitioners.

Program Element: Victim Services

PCCD's Victims Services has three components: the Victims Compensation Assistance Program (VCAP), the Victims Services Program (VSP) and the Children's Advocacy Center (CAC) initiative.

VCAP 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, reimbursements from victims who are awarded civil settlements and federal Victims of Crime Act funds. In fiscal year 2014-15, the commission paid 7,114 claims totaling \$12.7 million in state and federal funds.

PCCD's VSP administers a variety of state and federal funds designed to assist victims of crime. These funds support procedural services such as; courtroom accompaniment, victim rights notification, and assistance with victim impact statements, to nearly 150,000 victims and witnesses in 2014-15. The funds also support direct services such as: crisis intervention, shelter, counseling and other emergency services, which on average provide assistance to over 165,000 Pennsylvania crime victims each year.

Finally, PCCD administers a program to increase the availability of localized CAC services. CACs provide state-of-the-art treatment for the victims of child sexual abuse and child abuse. They coordinate medical care, treatment and other social services for victims while gathering evidence, through age-appropriate forensic interviewing and other methods employed by multi-disciplinary investigative teams, to build an effective case against the alleged offender. By bringing medical professionals, social workers, prosecutors and police who specialize in child sexual abuse together under one roof, CACs are the most effective way to bring a perpetrator to justice. There are currently 24 National Children's Alliance (NCA) accredited and associate CAC's in Pennsylvania.

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	131	Commission On Crime and Delinquency —to continue current program.
\$	3	Intermediate Punishment Treatment Programs —to continue current program.
2,000		—Initiative—To expand current program to provide treatment services as a direct sentencing alternative to incarceration for non-violent offenders.
\$	2,003	<i>Appropriation Increase</i>

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency ...	\$ 4,007	\$ 4,017	\$ 4,148	\$ 4,189	\$ 4,231	\$ 4,273	\$ 4,316
Victims of Juvenile Offenders	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Child Advocacy Centers	2,250	0	0	0	0	0	0
Violence Prevention Programs	4,567	3,872	3,872	3,872	3,872	3,872	3,872
Intermediate Punishment Treatment Programs	18,167	18,167	20,170	20,170	20,170	20,170	20,170
TOTAL GENERAL FUND	\$ 30,291	\$ 27,356	\$ 29,490	\$ 29,531	\$ 29,573	\$ 29,615	\$ 29,658

Program: Reintegration of Juvenile Delinquents

Goal: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.

The Juvenile Court Judges' Commission (JCJC) is responsible for advising juvenile court judges regarding the development and improvement of juvenile probation services throughout the commonwealth. These services focus on the provision of balanced attention to the protection of the community, the imposition of accountability for offenses committed, and the development of competencies to enable children to become responsible and productive members of the community. The provision of statewide juvenile justice training, graduate education, research, statistical information, and the development and implementation of evidence based practices have significantly improved the quality of service within the commonwealth's juvenile justice system. This is evident by the percentage of juveniles successfully completing juvenile court supervision without committing a new offense, 83.4 percent in 2014, as well as the percentage of juvenile offenders who are in school, employed or engaged in a vocational activity at case closing, 84.4 percent in 2014.

The JCJC is coordinating ongoing development and implementation of Pennsylvania's Juvenile Justice System Enhancement Strategy (JJSES), which is designed to enhance the capacity of Pennsylvania's juvenile justice system to achieve its balanced and restorative justice mission by employing evidence-based practices, with fidelity, at every stage of the juvenile justice process; collecting and analyzing the data necessary to measure the results of these efforts; and, with this knowledge, striving to continuously improve the quality of decisions, services and programs. Research has demonstrated that

the proper implementation of evidence-based practices can lead to significant reductions in juvenile delinquency and recidivism. The development of statewide and county-specific baseline recidivism rates are an important benchmark against which the impact of JJSES can be measured. Recidivism is defined as a subsequent adjudication of delinquency, or conviction in criminal court, for a misdemeanor or felony offense within two years of release from probation supervision. Using this definition, statewide recidivism rates have decreased from 22 percent in cases closed from 2007-2010 to 18 percent in cases closed in 2011. It should be noted that as the definition of recidivism requires a case to be closed for two years, the most recent data available reflects cases closed in 2011.

The JCJC also conditioned eligibility for all county Juvenile Probation Services grant funding upon implementation of evidence-based practices including:

- Implementation of the Youth Level of Service (YLS) risk/need assessment instrument;
- Development of recommendations to the court based on the YLS results, including the identified risks and needs of each juvenile; and,
- Development and implementation of case plans which target services to meet the identified risks and needs of each juvenile.

Sixty-six counties are currently participating in the Juvenile Probation Services grant program. The Youth Level of Service risk/need assessment instrument utilization has increased from a total of 5,591 assessments in 2010 to a total of 25,239 in 2014.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 96 **Juvenile Court Judges Commission**
—to continue current program.

Juvenile Probation Services is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 2,800	\$ 2,986	\$ 3,082	\$ 3,113	\$ 3,144	\$ 3,175	\$ 3,207
Juvenile Probation Services	18,945	18,945	18,945	18,945	18,945	18,945	18,945
TOTAL GENERAL FUND	\$ 21,745	\$ 21,931	\$ 22,027	\$ 22,058	\$ 22,089	\$ 22,120	\$ 22,152

Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Executive Direction

Objective: Maintain a highly trained state workforce by increasing training course completion rates.

Office of Administration - Human Resources

Completion rate for mandatory Enterprise Learning Management System courses	61%	70%	70%	70%	70%	70%	70%
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Objective: Maintain and expand the delivery of cost effective, high quality human resource services to employees and agencies through the centralized Human Resource Service Center.

Office of Administration - Human Resources

Days required to review and approve requests for classification actions on vacant positions	17	17	17	17	17	17	17
Days required to process requests for clerks from the temporary clerical pool	9	9	9	9	9	9	9
Days required to process requests for typists from the temporary clerical pool	9	9	9	9	9	9	9
Percentage of HR agency services that met established response time goals	98%	95%	95%	95%	95%	95%	95%
HR Service Centers' customer satisfaction rating (scale of 1 to 4, low to high)	4	4	4	4	4	4	4

Objective: Reduce the number of work related accidents.

Office of Administration - Human Resources

Workers' compensation claims filed and accepted	4,786	4,570	4,300	4,300	4,300	4,300	4,300
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Objective: Maintain and expand knowledge and application of records retention and records management industry standards on an enterprise wide level.

Office of Administration - Office of Enterprise Records Management

Percent of Issuances and Resolutions updated	42%	60%	65%	65%	70%	70%	70%
Training sessions, workshops and agency information meetings conducted to increase program awareness and compliance	12	12	12	12	12	12	12

Objective: Improve the commonwealth's accounting and financial reporting system.

Office of the Budget

Agency/Purchasing/Corporate credit card rebates earned	\$4,880,029	\$5,000,000	\$5,100,000	\$5,350,000	\$5,450,000	\$5,550,000	\$5,640,000
Percentage of electronic invoices	20%	22%	27%	30%	32%	35%	40%
ADTrav Revenue Sharing	\$208,357	\$210,000	\$215,000	\$225,000	\$230,000	\$230,000	\$230,000

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Increase government agencies' awareness of the investigative services and resources available from the Office of Inspector General.

Office of Inspector General

General investigations	574	555	555	555	555	555	555
Pre-employment background investigations	510	475	475	475	475	475	475

Objective: Hold accountable those individuals who fraudulently obtain public benefits and recover all overpaid benefits.

Office of Inspector General - Welfare Fund

Amount of overpaid benefits collected through various means	\$22,078,981	\$19,000,000	\$19,000,000	\$19,000,000	\$19,000,000	\$19,000,000	\$19,000,000
Amount of cost savings and collections for every dollar spent on investigative activities	\$11.51	\$12	\$12	\$12	\$12	\$12	\$12
Prosecutions: Resulting cost savings	\$1,500,345	\$1,550,000	\$1,550,000	\$1,550,000	\$1,550,000	\$1,550,000	\$1,550,000
Administrative Disqualification Hearings: Resulting cost savings	\$590,119	\$590,000	\$590,000	\$590,000	\$590,000	\$590,000	\$590,000
Long Term Care Sanctions: Resulting cost savings	\$2,149,798	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000

Objective: Prevent, detect and deter fraud prior to an agency's authorization of an individual for program benefits.

Office of Inspector General - Welfare Fund

Average amount of cost savings per Welfare Fraud Investigator	\$1,216,215	\$1,220,000	\$1,220,000	\$1,220,000	\$1,220,000	\$1,220,000	\$1,220,000
Amount of cost savings based on ineligibility determinations	\$87,567,454	\$88,000,000	\$88,000,000	\$88,000,000	\$88,000,000	\$88,000,000	\$88,000,000

Program: Prevention and Elimination of Discriminatory Practices

Objective: Increase case settlement rate in comparison to other state Fair Employment Practice Agencies and the Equal Opportunity Commission.

Human Relations Commission

Predetermination case settlement rate	34%	37%	40%	43%	46%	49%	50%
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Objective: Reduce case processing time to conclude investigations and resolve cases more quickly.

Human Relations Commission

Percentage of cases under investigation processed within 2 years	88%	91%	94%	97%	100%	100%	100%
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Objective: Reduce case processing time in housing discrimination investigations to resolve cases faster whenever possible.

Number of housing discrimination cases dually filed with HUD that are closed within 100 days	49	50	51	52	53	54	55
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Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Development of Artists and Audiences

Objective: Increase participation in the arts and cultural programs.

Council on the Arts

Grant applications received/reviewed	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Grant awards made	1,250	1,244	1,218	1,350	1,350	1,350	1,350

Program: Criminal and Juvenile Justice Planning and Coordination

Objective: Promote the appropriate use and measure the effectiveness of promising approaches and dispositional alternatives.

Pennsylvania Commission on Crime and Delinquency

Planning and Coordination: Adult:

Percent of active offenders sentenced to the Intermediate Punishment Treatment program successfully completing the treatment phase of their sentence (as determined by the court)	75%	75%	75%	75%	75%	75%	75%
Average number of jail days saved per active offender during the fiscal year through participation in the Intermediate Punishment Treatment program	20	6	15	15	15	15	15
Percent of offenders who successfully completed the Restrictive Intermediate Punishment portion of their sentence	75%	75%	75%	75%	75%	75%	75%
Average number of jail days saved per offender who completed the Restrictive Intermediate Punishment portion of their sentence	67	65	65	65	65	65	65

Planning and Coordination: Youth:

Percentage of youth participating in research-based programs with a demonstrated improvement related to the program's targeted behavioral outcome	48%	48%	50%	55%	55%	55%	55%
Percentage of youth with improved school attendance after participating in intensive evidence-based programs	68%	69%	70%	70%	70%	70%	70%

Victim Services:

Percentage of victims who are satisfied with the services provided by the Victims Compensation Assistance program	82%	86%	86%	86%	86%	86%	88%
Number of victims served by victim service programs throughout Pennsylvania through the utilization of RASA funds	149,253	170,000	190,000	210,000	220,000	230,000	240,000

Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Reintegration of Juvenile Delinquents

Objective: Increase the percentage of juvenile offenders who are in school, are employed, or are engaged in a vocational activity at the time of case closing.

Juvenile Court Judges' Commission

Percentage employed or engaged in an educational/vocational activity at case closing	84.40%	85%	85%	85%	85%	85%	85%
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Objective: Increase the percentage of juveniles who successfully complete supervision without committing a new offense.

Juvenile Court Judges' Commission

Juvenile offenders who completed supervision without a new offense resulting in a Consent Decree, adjudication of delinquency, Accelerated Rehabilitation Disposition, Nolo Contendere, or finding of guilt in a criminal proceeding	8,837	8,660	8,487	8,317	8,151	7,988	7,828
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Objective: Reduce the number of children referred to court by diverting low-risk juveniles from formal court action whenever possible

Juvenile Court Judges' Commission

Children referred to court	25,568	25,057	24,556	24,064	23,583	23,111	22,649
Commitments as a percentage of referrals	7.70%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Juvenile arrested for violent crime	3,220	3,156	3,092	3,031	2,970	2,911	2,852
Juvenile cases closed that received probation or other services	10,593	10,381	10,174	9,970	9,771	9,575	9,384



LIEUTENANT GOVERNOR

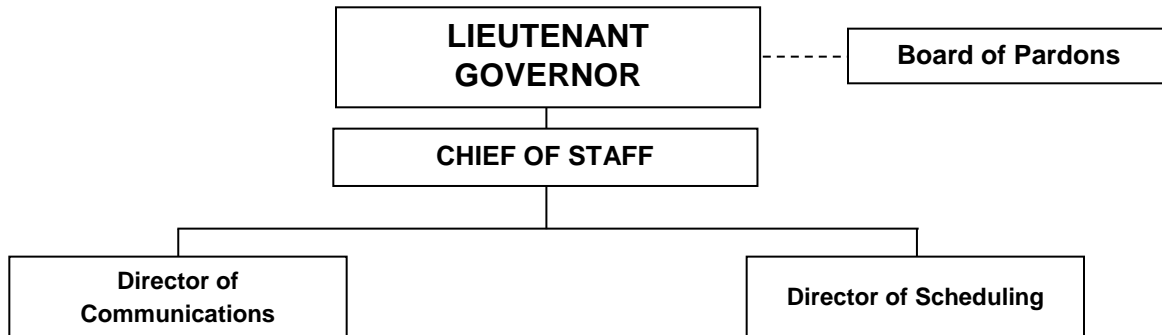
The mission of the lieutenant governor is to perform legislative and administrative functions as delegated by the Pennsylvania Constitution and the governor.

The lieutenant governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction or impeachment, failure to qualify or resignation of the governor, the lieutenant governor will become governor for the remainder of the term. In case of the disability of the governor, the powers, duties and emoluments of the office will transfer to the lieutenant governor until the disability is removed.

Programs and Goals

Executive Direction: *To provide an effective administrative system through which substantive programs of the agency can be accomplished.*

Organization Overview



- **Board of Pardons** exercises exclusive jurisdiction over all requests for executive clemency; any applicant seeking a pardon or commutation of a sentence from the governor must first secure a favorable recommendation from the board before the governor may consider the request.
- **Director of Communications** articulates the lieutenant governor's agenda and actions to the people of Pennsylvania, and oversees the planning and management of the lieutenant governor's many public undertakings.
- **Director of Scheduling** works closely with the lieutenant governor to develop and implement the lieutenant governor's daily schedule; manages all invitations; and ensures that all logistical arrangements are appropriately handled at each event.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
13	13	13	13	13

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
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GENERAL FUND:*General Government:*

Lieutenant Governor's Office.....	\$ 830	\$ 980	\$ 987
Board of Pardons.....	553	643	668

Total - General Government.....	\$ 1,383	\$ 1,623	\$ 1,655
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GENERAL FUND TOTAL.....	\$ 1,383	\$ 1,623	\$ 1,655
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Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 1,383	\$ 1,623	\$ 1,655	\$ 1,672	\$ 1,688	\$ 1,705	\$ 1,722
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>\$ 1,383</u>	<u>\$ 1,623</u>	<u>\$ 1,655</u>	<u>\$ 1,672</u>	<u>\$ 1,688</u>	<u>\$ 1,705</u>	<u>\$ 1,722</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,383	\$ 1,623	\$ 1,655	\$ 1,672	\$ 1,688	\$ 1,705	\$ 1,722
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	<u><u>\$ 1,383</u></u>	<u><u>\$ 1,623</u></u>	<u><u>\$ 1,655</u></u>	<u><u>\$ 1,672</u></u>	<u><u>\$ 1,688</u></u>	<u><u>\$ 1,705</u></u>	<u><u>\$ 1,722</u></u>

Program: Executive Direction

Goal: To provide an effective administrative system through which substantive programs of the agency can be accomplished.

This program provides for the execution of duties relating to the Office of Lieutenant Governor. These duties as prescribed by the State Constitution, include presiding over the Senate; assuming the Office of Governor for the remainder of governor's term, if necessary, as a result of the death, conviction or impeachment, failure to qualify or resignation of the governor; and serving as chairman of the Pennsylvania Board of Pardons, which reviews applications for reprieve, commutation of sentences and pardons. Through statute, the lieutenant governor also

serves as a member of the Military Base Community Enhancement Commission, and has been elected by his fellow commissioners as the chairman. Also, under statute, the Lieutenant Governor serves as chairman of the Local Government Advisory Committee, which advises the Center for Local Government Services in the Department of Community and Economic Development and the governor's administration on the needs and concerns of local government entities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 7 **Lieutenant Governor**
—to continue current program.

\$ 25 **Board of Pardons**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Lieutenant Governor's Office.....	\$ 830	\$ 980	\$ 987	\$ 997	\$ 1,007	\$ 1,017	\$ 1,027
Board of Pardons.....	553	643	668	675	681	688	695
TOTAL GENERAL FUND	\$ 1,383	\$ 1,623	\$ 1,655	\$ 1,672	\$ 1,688	\$ 1,705	\$ 1,722

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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:

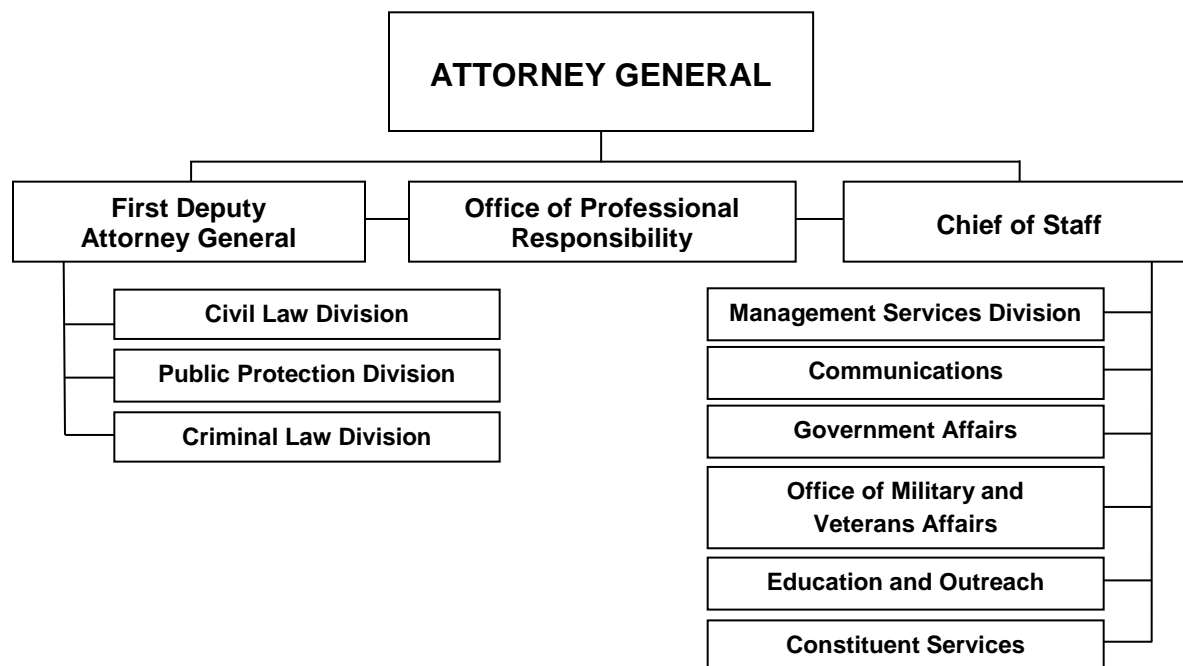
- To be the commonwealth's chief law enforcement officer charged with responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of statewide and multi-county investigating 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 Goals

Public Protection and Law Enforcement: *To enforce the criminal laws of the commonwealth; to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to commonwealth agencies.*

Organization Overview



- **Civil Law Division** includes the Litigation Section; Legal Review Section; Financial Enforcement and Tax Litigation Section; Torts Litigation Section; and Appellate Litigation Section.
- **Public Protection Division** includes the Bureau of Consumer Protection; Health Care Section; Antitrust Section; Charitable Trust and Organizations Section; Special Litigation and Civil Rights Enforcement Section; Tobacco Enforcement Section; and the Office of Consumer Advocate.
- **Criminal Law Division** includes the Bureau of Criminal Investigations; Bureau of Narcotics Investigation and Drug Control; Bureau of Special Investigations; Appeals and Legal Services Section; Asset Forfeiture and Money Laundering Section; Criminal Prosecutions Section; Child Predator Section; Drug Strike Force Section; Insurance Fraud Section; Medicaid Fraud Control Section; and the Special Litigation Section and Capital Appeals.
- **Management Services Division** includes the Human Resources Section; Budget and Finance Section; Comptroller Section; Office Services Section; Litigation Support Section; and the Information Technology Section.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
822	806	798	822	830

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 41,877	\$ 43,197	\$ 43,285
(F)Medicaid Fraud.....	5,507	8,455	7,908
(F)MAGLOCLEN.....	7,587	7,851	7,979
(A)Reimbursements.....	24	20	20
(A)Miscellaneous.....	8	6	6
Subtotal.....	<u>\$ 55,003</u>	<u>\$ 59,529</u>	<u>\$ 59,198</u>
(R)Office of Consumer Advocate.....	5,165	5,268	5,533
(R)Home Improvement Consumer Protection.....	1,693	2,042	2,053
Drug Law Enforcement.....	25,728	26,792	27,097
(F)High Intensity Drug Trafficking Areas.....	5,131	5,280	5,308
(A)Recovery of Narcotics Investigation Overtime Costs.....	135	50	50
(A)Miscellaneous.....	8	0	0
Subtotal.....	<u>\$ 31,002</u>	<u>\$ 32,122</u>	<u>\$ 32,455</u>
Local Drug Task Forces.....	12,038	12,234	12,388
Joint Local-State Firearm Task Force.....	3,736	3,839	3,910
Witness Relocation.....	1,215	1,215	1,215
Child Predator Interception.....	4,100	4,274	4,445
Tobacco Law Enforcement.....	915	1,364	1,550
Mobile Street Crimes.....	2,480	2,562	2,585
Subtotal - State Funds.....	\$ 92,089	\$ 95,477	\$ 96,475
Subtotal - Federal Funds.....	18,225	21,586	21,195
Subtotal - Augmentations.....	175	76	76
Subtotal - Restricted Revenues.....	6,858	7,310	7,586
Total - General Government.....	<u>\$ 117,347</u>	<u>\$ 124,449</u>	<u>\$ 125,332</u>
<i>Grants and Subsidies:</i>			
County Trial Reimbursement.....	\$ 200	\$ 200	\$ 200
(R)Reimbursement to Counties - Full Time District Attorney (EA).....	7,760	8,100	8,100
Subtotal - State Funds.....	\$ 200	\$ 200	\$ 200
Subtotal - Restricted Revenues.....	7,760	8,100	8,100
Total - Grants and Subsidies.....	<u>\$ 7,960</u>	<u>\$ 8,300</u>	<u>\$ 8,300</u>
STATE FUNDS.....	\$ 92,289	\$ 95,677	\$ 96,675
FEDERAL FUNDS.....	18,225	21,586	21,195
AUGMENTATIONS.....	175	76	76
RESTRICTED REVENUES.....	14,618	15,410	15,686
GENERAL FUND TOTAL.....	<u>\$ 125,307</u>	<u>\$ 132,749</u>	<u>\$ 133,632</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded.....	\$ 7,784	\$ 8,879	\$ 9,282
Seized/Forfeited Property - U.S. Department of Justice.....	763	2,014	1,770
Seized/Forfeited Property - U.S. Treasury Department.....	44	580	70
Seized/Forfeited Property - U.S. Homeland Security.....	201	630	540
Investigative Funds - Outside Sources.....	6,399	7,767	8,203
Public Protection Law Enforcement.....	6,476	11,115	10,845
Community Drug Abuse Prevention Program.....	333	952	840
Coroner's Education Board.....	0	75	0
GENERAL FUND TOTAL.....	\$ 22,000	\$ 32,012	\$ 31,550
CIGARETTE FIRE SAFETY AND FIREFIGHTER PROTECTION ACT FUND:			
Cigarette Fire Safety & Firefighter Protection Enforcement.....	\$ 50	\$ 50	\$ 50
HOMEOWNER ASSISTANCE SETTLEMENT FUND:			
Housing Consumer Protection.....	\$ 600	\$ 600	\$ 337
STATE GAMING FUND:			
(R)Gaming Enforcement.....	\$ 1,141	\$ 1,192	\$ 1,232
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 92,289	\$ 95,677	\$ 96,675
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	18,225	21,586	21,195
AUGMENTATIONS.....	175	76	76
RESTRICTED.....	14,618	15,410	15,686
OTHER FUNDS.....	23,791	33,854	33,169
TOTAL ALL FUNDS.....	\$ 149,098	\$ 166,603	\$ 166,801

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 92,289	\$ 95,677	\$ 96,675	\$ 97,628	\$ 98,590	\$ 99,561	\$ 100,543
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	18,225	21,586	21,195	21,407	21,622	21,838	22,056
OTHER FUNDS.....	38,584	49,340	48,931	48,865	48,989	49,265	49,393
SUBCATEGORY TOTAL.....	<u>\$ 149,098</u>	<u>\$ 166,603</u>	<u>\$ 166,801</u>	<u>\$ 167,900</u>	<u>\$ 169,201</u>	<u>\$ 170,664</u>	<u>\$ 171,992</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 92,289	\$ 95,677	\$ 96,675	\$ 97,628	\$ 98,590	\$ 99,561	\$ 100,543
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	18,225	21,586	21,195	21,407	21,622	21,838	22,056
OTHER FUNDS.....	38,584	49,340	48,931	48,865	48,989	49,265	49,393
DEPARTMENT TOTAL.....	<u><u>\$ 149,098</u></u>	<u><u>\$ 166,603</u></u>	<u><u>\$ 166,801</u></u>	<u><u>\$ 167,900</u></u>	<u><u>\$ 169,201</u></u>	<u><u>\$ 170,664</u></u>	<u><u>\$ 171,992</u></u>

Program: Public Protection and Law Enforcement

Goal: To enforce the criminal laws of the commonwealth; to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to commonwealth agencies.

The Attorney General, as the chief law enforcement officer of the commonwealth, is charged with the responsibility of investigating and prosecuting organized crime and public corruption. The agency investigates and prosecutes criminal activity and uses statewide investigative grand juries as appropriate. Approximately 70 cases are presented each year to the Statewide Investigating Grand Jury. The Office of Attorney General works with the State Police to curtail drug abuse in the commonwealth by apprehending illegal drug traffickers. The Office of Attorney General also prosecutes and investigates insurance fraud and is responsible for the investigation and prosecution of Medicaid fraud, environmental crimes and cases referred by district attorneys across the state that have a conflict of interest or lack the resources to prosecute certain crimes.

Other major program activities involve decreasing the incidence of fraud and deceptive business practices as well as securing recovery of damages to the commonwealth and its citizens; encouraging free enterprise and competition; investigating and prosecuting consumer fraud, unfair trade practices, antitrust violations, civil rights violations and charitable scams; and providing for representation of the consumer in utility rate proceedings before the Public Utility Commission through the Office of the Consumer Advocate. The Consumer Advocate represents the consumer in cases such as competition in the electric, gas and telecommunications industries, filings of alternative regulatory plans by telephone utilities, purchased gas cases and filings by major natural gas pipelines.

The Office of the Attorney General represents the commonwealth in any action brought by or against the commonwealth or its agencies, particularly tort claims. The agency protects the children of Pennsylvania against

predators by identifying, investigating and capturing online child predators using proactive, undercover operations. The agency enforces the Tobacco Settlement Agreement Act, defends enforcement in arbitration proceedings, and polices the Master Settlement Agreement fully and aggressively.

The County Code provides for full-time district attorneys under certain conditions. The annual salary to be paid the full-time district attorney is set at \$1,000 less than a common pleas court judge in that county. The commonwealth reimburses counties for 65 percent of the salary for the full-time district attorney through court document surcharge revenues deposited into the Criminal Justice Enhancement Account.

The Joint Local-State Firearm Task Force comprised of the Philadelphia District Attorney's Office, the Philadelphia Police Department and the Office of Attorney General was established to fight gun violence in the Philadelphia area. Mobile Street Crimes provides deployment of resources and experience in combating organized drug trafficking and drug related violent crimes from targeted neighborhoods and municipalities.

The Municipal Drug Task Force program contributes to Pennsylvania's efforts in combating both local and widespread drug trafficking operations. Municipal police officers are trained in drug enforcement procedures and benefit from the expertise provided by the Bureau of Narcotics Investigations.

The Home Improvement Consumer Protection Act requires home improvement contractors to register with the Bureau of Consumer Protection. The agency investigates alleged violations regarding home improvement contractors. The Homeowner Assistance Settlement Act authorizes the agency to provide housing consumer protection programs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			
General Government Operations			Joint Local-State Firearm Task Force
\$	88	—to continue current program.	\$ 71 —to continue current program.
Drug Law Enforcement			Child Predator Interception
\$	305	—to continue current program.	\$ 171 —to continue current program.
Local Drug Task Forces			
\$	154	—to continue current program.	

Program: Public Protection and Law Enforcement (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

Tobacco Law Enforcement
\$ 186 —to continue current program.

This budget also recommends the following from restricted accounts in the General Fund.

Mobile Street Crimes
\$ 23 —to continue current program.

Office of Consumer Advocate
\$ 265 —to continue current program.

Witness Relocation and County Trial Reimbursement appropriations are recommended at the current year funding levels.

Home Improvement Consumer Protection
\$ 11 —to continue current program.

The Reimbursement to Counties – Full Time District Attorney (EA) is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 41,877	\$ 43,197	\$ 43,285	\$ 43,718	\$ 44,155	\$ 44,597	\$ 45,043
Drug Law Enforcement.....	25,728	26,792	27,097	27,368	27,642	27,918	28,197
Local Drug Task Forces.....	12,038	12,234	12,388	12,512	12,637	12,763	12,891
Joint Local-State Firearm Task Force.....	3,736	3,839	3,910	3,949	3,989	4,028	4,069
Witness Relocation.....	1,215	1,215	1,215	1,215	1,215	1,215	1,215
Child Predator Interception.....	4,100	4,274	4,445	4,489	4,534	4,580	4,625
Tobacco Law Enforcement	915	1,364	1,550	1,566	1,581	1,597	1,613
Mobile Street Crimes	2,480	2,562	2,585	2,611	2,637	2,663	2,690
County Trial Reimbursement.....	200	200	200	200	200	200	200
TOTAL GENERAL FUND	\$ 92,289	\$ 95,677	\$ 96,675	\$ 97,628	\$ 98,590	\$ 99,561	\$ 100,543

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Public Protection and Law Enforcement							
Objective: Curtail drug abuse in the commonwealth by apprehending illegal drug traffickers.							
Local drug task force arrests	8,472	9,000	9,000	9,000	9,000	9,000	9,000
Drug arrests resulting from Grand Jury presentments	146	150	150	150	150	150	150
Objective: Increase compliance by estates, charities, nonprofits and health care conversions with established rules and regulations.							
Review of estates, charities, nonprofits, and health care conversions for compliance with rules and regulations	1,928	2,120	2,120	2,120	2,120	2,120	2,120
Objective: Decrease incidence of fraud and deceptive business practices and secure the recovery of damages to the commonwealth and its citizens.							
Consumer complaints concerning business practices investigated and mediated	26,591	26,600	26,600	26,600	26,600	26,600	26,600
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$3,652	\$3,660	\$3,660	\$3,660	\$3,660	\$3,660	\$3,660
Consumer complaints concerning business practices - health care industry	2,513	2,520	2,520	2,520	2,520	2,520	2,520
Dollar value of recoupment to consumers regarding business practices - health care industry (in thousands)	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270	\$1,270



AUDITOR GENERAL

The mission of the Auditor General is to post-audit the affairs of state government agencies and certain local government agencies, officials and organizations.

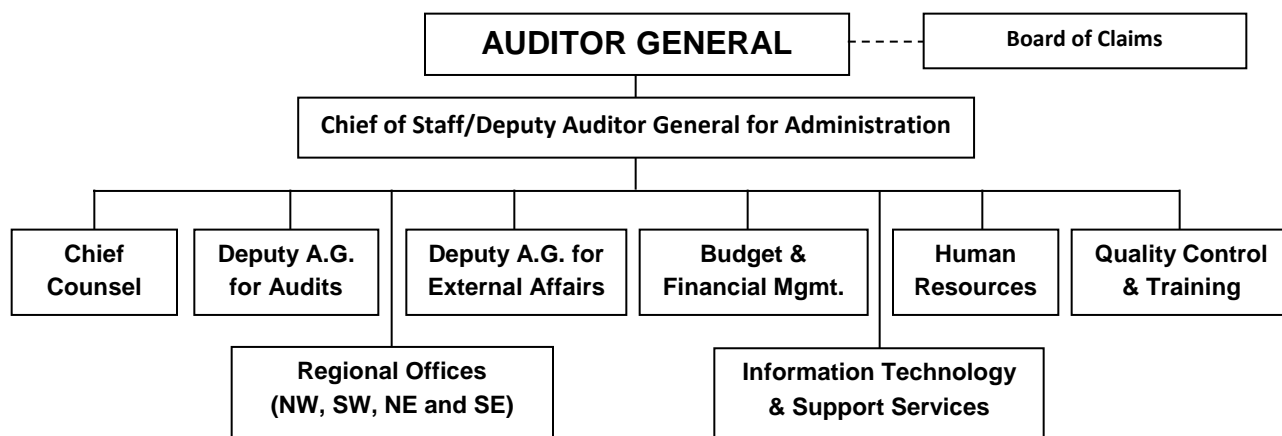
The objective is to ensure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to ensure that all money due the commonwealth was reported and transmitted properly.

Programs and Goals

Auditing: *To ensure that all revenue to which the commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.*

Municipal Pension Systems: *To assist municipal pension systems through review and audit of their pension funds.*

Organization Overview



- **Board of Claims** arbitrates claims against the commonwealth arising from contracts entered into by the commonwealth and adjusts and settles certain other claims by or against the commonwealth.
- **Office of Chief of Staff/Administration Deputate** provides leadership and direction to the Chief Counsel, Deputy Auditor General for Audits, Deputy Auditor General for External Affairs, and Regional Directors and also to the Directors of Budget & Fiscal Management, Human Resources, Quality Control & Training, and Information Technology & Support Services.
- **Office of Chief Counsel** provides legal advice and support to the Auditor General, Deputy Auditor Generals and the bureaus within the department.
- **Deputate for Audits** manages eight bureaus that perform audits to improve overall government accountability, transparency, and the effective use of taxpayer dollars. Audits include Financial and Performance audits, and Attestation engagements to ensure that all monies spent by the commonwealth are spent legally and efficiently to serve the Pennsylvania taxpayers.
- **Regional Offices** are located in Northwest, Southwest, Northeast and Southeast Pennsylvania.
- **Deputate for External Affairs** oversees the department's communications and media, as well as its work with the legislature, citizens, and groups and organizations interested in the department's work.
- **Office of Budget and Financial Management** provides operational support including budgeting, accounting, payroll, and accounts payable. The office also manages the Municipal Pension State Aid and Volunteer Firefighters' Relief Association State Aid Programs and provides budgetary and administrative support to the Board of Claims.
- **Office of Information Technology and Support Services** manages the IT network infrastructure, including telecommunications; develops and supports systems applications and databases; processes all procurements; and manages the vehicle fleet, archives, internal storeroom, mailroom, and physical facilities.
- **Office of Human Resources** administers all employment-related activities from pre-hire to retirement and assists with the development, implementation, and administration of personnel policies, rules, and programs.
- **Office of Quality Control & Training** oversees the maintenance of the department's system of quality control in accordance with *Generally Accepted Government Auditing Standards (GAGAS)* issued by the Comptroller General of the United States and conducts the required internal monitoring efforts. The office also oversees the various training activities to ensure compliance with GAGAS continuing professional education requirements

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
635	609	575	496	491

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Auditor General's Office.....	\$ 41,389	\$ 42,720	\$ 43,596
(A)Reimbursement Auditing Services.....	13,345	11,026	11,521
Information Technology Modernization.....	1,750	1,750	3,000
Subtotal.....	\$ 56,484	\$ 55,496	\$ 58,117
Security and Other Expenses - Outgoing Governor.....	85	0	0
Board of Claims	1,640	1,846	1,846
Subtotal - State Funds.....	\$ 44,864	\$ 46,316	\$ 48,442
Subtotal - Augmentations.....	13,345	11,026	11,521
Total - General Government.....	\$ 58,209	\$ 57,342	\$ 59,963
STATE FUNDS.....	\$ 44,864	\$ 46,316	\$ 48,442
AUGMENTATIONS.....	13,345	11,026	11,521
GENERAL FUND TOTAL.....	\$ 58,209	\$ 57,342	\$ 59,963
OTHER FUNDS:			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid.....	\$ 266,064	\$ 263,427	\$ 266,062
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 44,864	\$ 46,316	\$ 48,442
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	13,345	11,026	11,521
OTHER FUNDS.....	266,064	263,427	266,062
TOTAL ALL FUNDS.....	\$ 324,273	\$ 320,769	\$ 326,025

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
AUDITING							
GENERAL FUND.....	\$ 44,864	\$ 46,316	\$ 48,442	\$ 45,896	\$ 46,355	\$ 46,819	\$ 47,287
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,345	11,026	11,521	11,636	11,752	11,870	11,989
SUBCATEGORY TOTAL.....	<u>\$ 58,209</u>	<u>\$ 57,342</u>	<u>\$ 59,963</u>	<u>\$ 57,532</u>	<u>\$ 58,107</u>	<u>\$ 58,689</u>	<u>\$ 59,276</u>
MUNICIPAL PENSION SYSTEMS							
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.....	266,064	263,427	266,062	266,062	266,062	266,062	266,062
SUBCATEGORY TOTAL.....	<u>\$ 266,064</u>	<u>\$ 263,427</u>	<u>\$ 266,062</u>	<u>\$ 266,062</u>	<u>\$ 266,062</u>	<u>\$ 266,062</u>	<u>\$ 266,062</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 44,864	\$ 46,316	\$ 48,442	\$ 45,896	\$ 46,355	\$ 46,819	\$ 47,287
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	279,409	274,453	277,583	277,698	277,814	277,932	278,051
DEPARTMENT TOTAL.....	<u>\$ 324,273</u>	<u>\$ 320,769</u>	<u>\$ 326,025</u>	<u>\$ 323,594</u>	<u>\$ 324,169</u>	<u>\$ 324,751</u>	<u>\$ 325,338</u>

Program: Auditing

Goal: To ensure that all revenue to which the commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.

The Office of the Auditor General is required by The Fiscal Code to audit the financial affairs of state government and certain local government entities. The Office of the Auditor General is also 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 performance post-audits of commonwealth agencies, boards, commissions, and state institutions, such as state higher education and correctional facilities, to ensure money is disbursed legally and properly. The department also examines and audits accounts of revenue collecting agents, including local government officials such as those in the magisterial district courts and county row offices, 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. Finally, the department conducts audits of any public entity that receives state funds, including local educational agencies, municipal pension plans, and volunteer firefighter's relief associations.

The Single Audit, which is a single financial/compliance audit of the commonwealth's federal aid programs and

the commonwealth's Comprehensive Annual Financial Report, is jointly performed each year by the Office of 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 so.

In addition to fiscal duties, by statute, the Auditor General is a signatory, along with the governor and state treasurer, for the approval of short-term and long-term borrowing by state government and serves as a member of the Delaware River Port Authority, State Public School Building Authority, the Pennsylvania Higher Educational Facilities Authority, and other major commonwealth boards and commissions.

The Department also provides administrative services for the Board of Claims. 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)

\$ 876 **Auditor General's Office**
—to continue current program.

\$ 1,250 **Information Technology Modernization**
—Initiative—Information Technology Modernization. To fund the final phase of a multi year project to improve the department's information technology infrastructure.

The Board of Claims appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 41,389	\$ 42,720	\$ 43,596	\$ 44,032	\$ 44,472	\$ 44,917	\$ 45,366
Information Technology Modernization.....	1,750	1,750	3,000	0	0	0	0
Security and Other Expenses - Outgoing Governor	85	0	0	0	0	0	0
Board of Claims	1,640	1,846	1,846	1,864	1,883	1,902	1,921
TOTAL GENERAL FUND	\$ 44,864	\$ 46,316	\$ 48,442	\$ 45,896	\$ 46,355	\$ 46,819	\$ 47,287

Program: Municipal Pension Systems

Goal: To assist municipal pension systems through review and audit of their pension funds.

In 1984, the General Assembly passed Act 205, known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the commonwealth's municipal pension systems. The Act establishes criteria for determination of actuarial soundness and the amount of state-financed support that will be provided. The Office of the Auditor General is responsible for audits of approximately 2,600 municipal pension funds for both uniformed and non-uniformed employees where municipalities choose to allocate state aid to those funds.

The Office of 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 Office of 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
 \$ 2,635 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
MUNICIPAL PENSION AID FUND:							
Municipal Pension Aid	\$ 266,064	\$ 263,427	\$ 266,062	\$ 266,062	\$ 266,062	\$ 266,062	\$ 266,062



TREASURY DEPARTMENT

The Treasury Department is responsible for receiving all commonwealth monies and for depositing such monies in state depositories approved by the Board of Finance and Revenue, for managing all securities in its custody to the best advantage of the commonwealth, for pre-auditing all requisitions for the expenditures of funds and for disbursement of all state monies upon proper authorization to those entitled to receive payment.

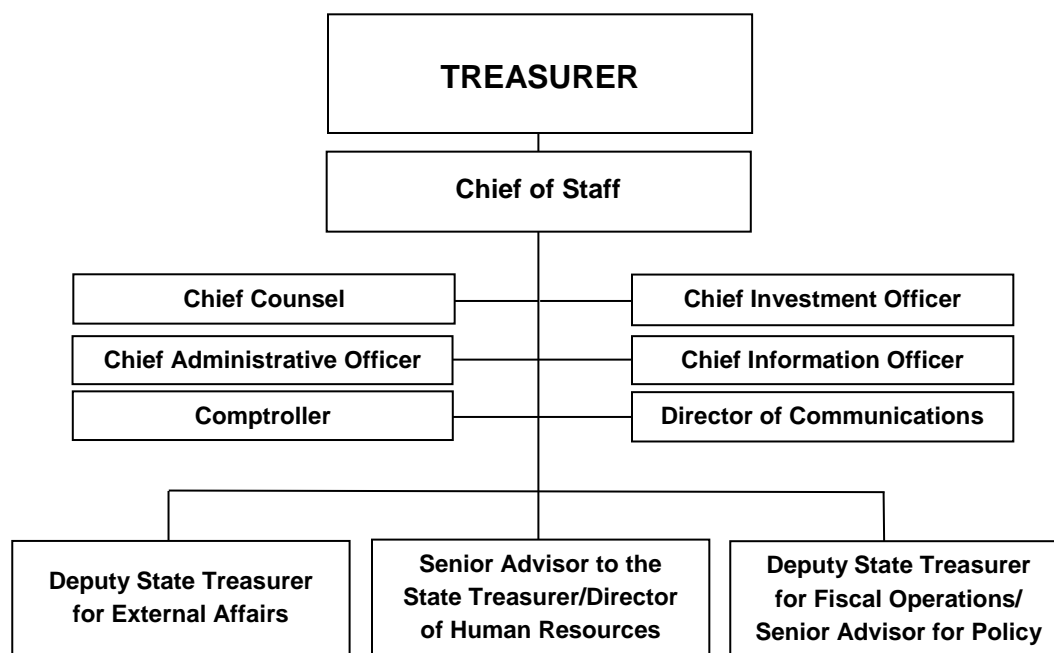
Programs and Goals

Disbursement: *To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure that all disbursements of funds are legal and proper.*

Interstate Relations: *To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.*

Debt Service: *To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.*

Organization Overview



- **Deputy State Treasurer for External Affairs** acts as a liaison to outside entities, such as the legislature, constituency groups and other state agencies. The deputy also sets policies and goals for public-facing bureaus managing the PA 529 and unclaimed property programs.
- **Senior Advisor to the State Treasurer/Director of Human Resources** manages the Bureau of Human Resources, advises the Treasurer on personnel matters and acts as a liaison to labor unions.
- **Deputy State Treasurer for Fiscal Operations/Senior Advisor for Policy** oversees the bureaus of Fiscal Review and Unemployment Compensation Disbursements, and advises the Treasurer on specific strategic policy matters.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
419	419	419	389	389

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 36,028	\$ 36,992	\$ 36,992
(A)Unemployment Compensation Service Reimbursements.....	4,566	5,796	6,545
(A)Administrative Service Fees.....	920	1,265	1,070
(A)Unclaimed Property Service Fees.....	5,126	890	598
Subtotal.....	\$ 46,640	\$ 44,943	\$ 45,205
Board of Finance and Revenue.....	2,505	2,715	2,995
Divestiture Reimbursement.....	229	68	2,551
Publishing Monthly Statements.....	15	15	15
Intergovernmental Organizations.....	1,036	1,025	1,032
Information Technology Modernization.....	4,000	3,000	4,000
Subtotal - State Funds.....	\$ 43,813	\$ 43,815	\$ 47,585
Subtotal - Augmentations.....	10,612	7,951	8,213
Total - General Government.....	\$ 54,425	\$ 51,766	\$ 55,798
<i>Grants and Subsidies:</i>			
Law Enforcement & Emergency Response Personnel Death Benefit.....	\$ 2,163	\$ 4,590	\$ 2,625
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 60	\$ 50	\$ 50
Cash Management Loan Interest (EA).....	1,951	6,000 ^a	6,000
General Obligation Debt Service.....	1,096,500	1,127,500	1,221,385
Total - Debt Service.....	\$ 1,098,511	\$ 1,133,550	\$ 1,227,435
STATE FUNDS.....	\$ 1,144,487	\$ 1,181,955	\$ 1,277,645
AUGMENTATIONS.....	10,612	7,951	8,213
GENERAL FUND TOTAL.....	\$ 1,155,099	\$ 1,189,906	\$ 1,285,858
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 533	\$ 533	\$ 533
<i>Refunds:</i>			
Refunding Liquid Fuels Taxes - State Share (EA).....	\$ 1,700	\$ 1,900	\$ 2,100
Refunding Liquid Fuels Taxes - Agriculture (EA).....	4,100	4,600	3,800
Refunding Liquid Fuels Taxes - Political Subdivisions (EA).....	3,400	3,800	3,600
Refunding Liquid Fuels Taxes - Volunteer Services (EA).....	500	600	500
Refunding Liquid Fuels Taxes - Snowmobiles & ATV's (EA).....	1,000	1,000	1,000
Refunding Liquid Fuels Taxes - Boat Fund (EA).....	6,100	10,470	10,470
Total - Refunds.....	\$ 16,800	\$ 22,370	\$ 21,470
<i>Debt Service:</i>			
Capital Debt Transportation Projects.....	\$ 0	\$ 4,223	\$ 25,317
General Obligation Debt Service.....	16,936	16,968	17,815
(R)Capital Bridge Debt Service (EA).....	52,754	51,772	51,650
Loan and Transfer Agent.....	50	50	50
Subtotal - State Funds.....	\$ 16,986	\$ 21,241	\$ 43,182
Subtotal - Restricted Revenues.....	52,754	51,772	51,650
Total - Debt Service.....	\$ 69,740	\$ 73,013	\$ 94,832

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)			
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
STATE FUNDS.....	\$ 34,319	\$ 44,144	\$ 65,185
RESTRICTED REVENUES.....	52,754	51,772	51,650
MOTOR LICENSE FUND TOTAL.....	\$ 87,073	\$ 95,916	\$ 116,835
OTHER FUNDS:			
ENVIRONMENTAL STEWARDSHIP FUND:			
Debt Service for Growing Greener (EA)	\$ 40,200	\$ 40,830	\$ 36,314
LIQUID FUELS TAX FUND:			
Refunding Liquid Fuels Taxes - Boat Fund (EA)	\$ 100	\$ 100	\$ 100
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND:			
Tuition Account Program Bureau.....	\$ 3,188	\$ 3,188	\$ 3,220
(A)Application Fees.....	1,331	1,122	1,162
TUITION ACCOUNT GUARANTEED SAVINGS PROGRAM FUND TOTAL.....	\$ 4,519	\$ 4,310	\$ 4,382
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,144,487	\$ 1,181,955	\$ 1,277,645
SPECIAL FUNDS.....	34,319	44,144	65,185
AUGMENTATIONS.....	10,612	7,951	8,213
RESTRICTED.....	52,754	51,772	51,650
OTHER FUNDS.....	44,819	45,240	40,796
TOTAL ALL FUNDS.....	\$ 1,286,991	\$ 1,331,062	\$ 1,443,489

^a Includes recommended supplemental executive authorization of \$6,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 44,925	\$ 47,365	\$ 49,163	\$ 44,589	\$ 43,993	\$ 44,401	\$ 44,813
SPECIAL FUNDS.....	17,333	22,903	22,003	23,108	24,213	24,218	24,223
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	15,231	12,361	12,695	12,727	12,760	12,793	12,826
SUBCATEGORY TOTAL.....	<u>\$ 77,489</u>	<u>\$ 82,629</u>	<u>\$ 83,861</u>	<u>\$ 80,424</u>	<u>\$ 80,966</u>	<u>\$ 81,412</u>	<u>\$ 81,862</u>
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 1,036	\$ 1,025	\$ 1,032	\$ 1,032	\$ 1,032	\$ 1,032	\$ 1,032
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>\$ 1,036</u>	<u>\$ 1,025</u>	<u>\$ 1,032</u>	<u>\$ 1,032</u>	<u>\$ 1,032</u>	<u>\$ 1,032</u>	<u>\$ 1,032</u>
DEBT SERVICE							
GENERAL FUND.....	\$ 1,098,526	\$ 1,133,565	\$ 1,227,450	\$ 1,278,666	\$ 1,321,918	\$ 1,356,362	\$ 1,417,437
SPECIAL FUNDS.....	16,986	21,241	43,182	56,063	56,102	56,077	56,037
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	92,954	92,602	87,964	81,863	80,431	94,444	96,036
SUBCATEGORY TOTAL.....	<u>\$ 1,208,466</u>	<u>\$ 1,247,408</u>	<u>\$ 1,358,596</u>	<u>\$ 1,416,592</u>	<u>\$ 1,458,451</u>	<u>\$ 1,506,883</u>	<u>\$ 1,569,510</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,144,487	\$ 1,181,955	\$ 1,277,645	\$ 1,324,287	\$ 1,366,943	\$ 1,401,795	\$ 1,463,282
SPECIAL FUNDS.....	34,319	44,144	65,185	79,171	80,315	80,295	80,260
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	108,185	104,963	100,659	94,590	93,191	107,237	108,862
DEPARTMENT TOTAL.....	<u>\$ 1,286,991</u>	<u>\$ 1,331,062</u>	<u>\$ 1,443,489</u>	<u>\$ 1,498,048</u>	<u>\$ 1,540,449</u>	<u>\$ 1,589,327</u>	<u>\$ 1,652,404</u>

Program: Disbursement

Goal: To receive and safeguard the monies of the commonwealth, to manage the funds to the best advantage of the commonwealth and to ensure that all disbursements of funds are legal and proper.

The Treasury Department is required by the Fiscal Code to receive and deposit all monies of the commonwealth; to invest any commonwealth monies that accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to pre-audit requisitions for the expenditure of funds; and to disburse all state monies upon proper authorization to those entitled to receive payment. In this capacity, the department is responsible for the receipt, custody and disbursement of billions of dollars each year.

The Treasury Department also maintains accounting controls and disburses all checks to recipients of public assistance. Thousands of disbursements are processed each working day for distribution to recipients. This processing includes pre-auditing, printing and mailing the checks to individual recipients and banks. Deposits are kept in approximately 50 financial institutions throughout Pennsylvania, including approximately 13 banks that also function as active depositories from which thousands of payments are issued daily.

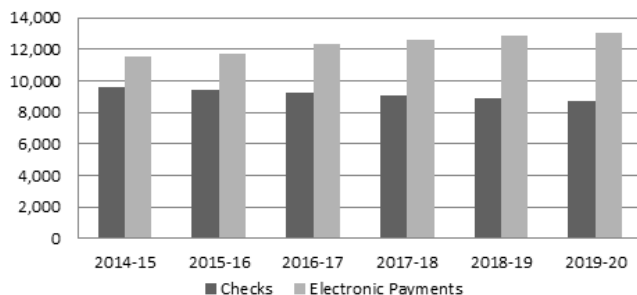
The State Treasurer is Chairman of the Board of Finance and Revenue which is charged with reviewing and deciding tax appeals concerning settlements made between the commonwealth and persons, associations and corporations. The board also administers the program for refunding liquid fuels taxes to groups exempt by legislation from these taxes.

The Treasury Department is required to pay death benefits, adjusted annually for inflation, to the surviving spouse or children of public safety workers, firefighters or law enforcement officers of the commonwealth killed in the performance of their duties and to reimburse political subdivisions for such payments made to survivors of local firefighters or law enforcement officers.

The Treasury Department administers the Tuition Account Program, which provides two programs for postsecondary educational savings. The Tuition Account Guaranteed Savings Program Fund provides for the advance purchase of tuition credits for students who will attend institutions of higher education. Savings for higher education may also be made through the Tuition Account Investment Program Fund.

The State Treasurer is responsible for the administration and enforcement of the commonwealth's abandoned and unclaimed property laws. Tangible and intangible property that has remained unclaimed for three or more years is reported and remitted to the Treasury Department by holders in possession of the property. The commonwealth maintains perpetual custody of the property until it is claimed by the rightful owner. Revenues generated by collection of unclaimed property are deposited directly to the General Fund.

Treasury Disbursements
(in thousands)



Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
Board of Finance and Revenue
 —to continue current program.
 \$ 280

Divestiture Reimbursement
 —increase in program requirements.
 \$ 2,483

Information Technology Modernization
 —Initiative—To enhance the Unclaimed Property System.
 \$ 1,000

Law Enforcement & Emergency Response Personnel Death Benefit
 —decrease in program requirements.
 \$ -1,965

Program: Disbursement (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

		MOTOR LICENSE FUND					
		Refunding Liquid Fuels Taxes - State Share (EA)				Refunding Liquid Fuels Taxes - Political Subdivisions (EA)	
\$	200	—based on most recent projection of program requirements.		\$	–200	—based on most recent projection of program requirements.	
		Refunding Liquid Fuels Taxes - Agriculture (EA)				Refunding Liquid Fuels Taxes - Volunteer Services (EA)	
\$	–800	—based on most recent projection of program requirements.		\$	–100	—based on most recent projection of program requirements.	

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 36,028	\$ 36,992	\$ 36,992	\$ 37,362	\$ 37,736	\$ 38,113	\$ 38,494
Board of Finance and Revenue	2,505	2,715	2,995	3,025	3,055	3,086	3,117
Divestiture Reimbursement	229	68	2,551	1,039	1,039	1,039	1,039
Information Technology Modernization	4,000	3,000	4,000	1,000	0	0	0
Law Enforcement & Emergency Response Personnel Death Benefit	2,163	4,590	2,625	2,163	2,163	2,163	2,163
TOTAL GENERAL FUND	\$ 44,925	\$ 47,365	\$ 49,163	\$ 44,589	\$ 43,993	\$ 44,401	\$ 44,813
MOTOR LICENSE FUND:							
Administration Refunding Liquid Fuels Tax	\$ 533	\$ 533	\$ 533	\$ 538	\$ 543	\$ 548	\$ 553
Refunding Liquid Fuels Taxes - State Share (EA)	1,700	1,900	2,100	2,300	2,500	2,500	2,500
Refunding Liquid Fuels Taxes - Agriculture (EA)	4,100	4,600	3,800	4,200	4,600	4,600	4,600
Refunding Liquid Fuels Taxes - Political Subdivisions (EA)	3,400	3,800	3,600	4,000	4,400	4,400	4,400
Refunding Liquid Fuels Taxes - Volunteer Services (EA)	500	600	500	600	700	700	700
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)	6,100	10,470	10,470	10,470	10,470	10,470	10,470
TOTAL MOTOR LICENSE FUND	\$ 17,333	\$ 22,903	\$ 22,003	\$ 23,108	\$ 24,213	\$ 24,218	\$ 24,223

Program: Interstate Relations

Goal: To promote interstate cooperation and progress through participation in various associations, commissions and organizations both regionally and nationally.

Pennsylvania promotes interstate cooperation and progress through participation in various associations, commissions and organizations with other states and units of government. As a member of the Council of State Governments, National Conference of State Legislatures and the National Governors' Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, federal-state relations, education, labor, research, governmental techniques and general information with other states, Congress and the federal Executive Branch.

The State and Local Legal Center provides for Pennsylvania's participation in a center to advance and

defend the interests of state and local governments in matters involving federal preemption, state taxing and spending powers, the Tenth Amendment to the United States Constitution and other issues.

This program also covers Pennsylvania's cost of the Great Lakes Commission and the Council of Great Lakes Governors. These organizations were established to plan and promote a unified and balanced program for the development, use and conservation of Great Lakes Basin water resources.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 7 **Intergovernmental Organizations**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Intergovernmental Organizations	\$ 1,036	\$ 1,025	\$ 1,032	\$ 1,032	\$ 1,032	\$ 1,032	\$ 1,032

Program: Debt Service

Goal: To provide for interest and principal requirements of notes and bonds issued by the commonwealth and other expenses related to debt service.

The commonwealth, through the Treasury Department, is obligated to meet principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the state to finance the cost of public improvements that represent a heavy financial burden which cannot be funded through current revenues. These bond issues provide funds for the acquisition and development of public recreation and historic sites and facilities; economic revitalization efforts; low-cost loans for water supply and sewage treatment

improvements; and a wide variety of construction and renovation projects for hospitals, higher education facilities, state parks, flood control, correctional institutions and various public buildings.

The commonwealth has saved substantial amounts of interest on debt service through the issuance of refunding bonds to retire debt incurred in prior years when interest rates were considerably higher. The commonwealth continues to monitor its debt for additional refunding opportunities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
\$ 93,885 —the net effect on principal and interest requirements and other costs relating to General Fund debt service.

MOTOR LICENSE FUND
\$ 21,941 —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)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
Loan and Transfer Agents	60	50	50	50	50	50	50
Cash Management Loan Interest (EA)	1,951	6,000	6,000	6,000	6,000	6,000	6,000
General Obligation Debt Service	1,096,500	1,127,500	1,221,385	1,272,601	1,315,853	1,350,297	1,411,372
TOTAL GENERAL FUND	\$ 1,098,526	\$ 1,133,565	\$ 1,227,450	\$ 1,278,666	\$ 1,321,918	\$ 1,356,362	\$ 1,417,437
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	\$ 0	\$ 4,223	\$ 25,317	\$ 38,198	\$ 38,237	\$ 38,279	\$ 38,354
General Obligation Debt Service	16,936	16,968	17,815	17,815	17,815	17,748	17,633
Loan and Transfer Agent	50	50	50	50	50	50	50
TOTAL MOTOR LICENSE FUND	\$ 16,986	\$ 21,241	\$ 43,182	\$ 56,063	\$ 56,102	\$ 56,077	\$ 56,037

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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.

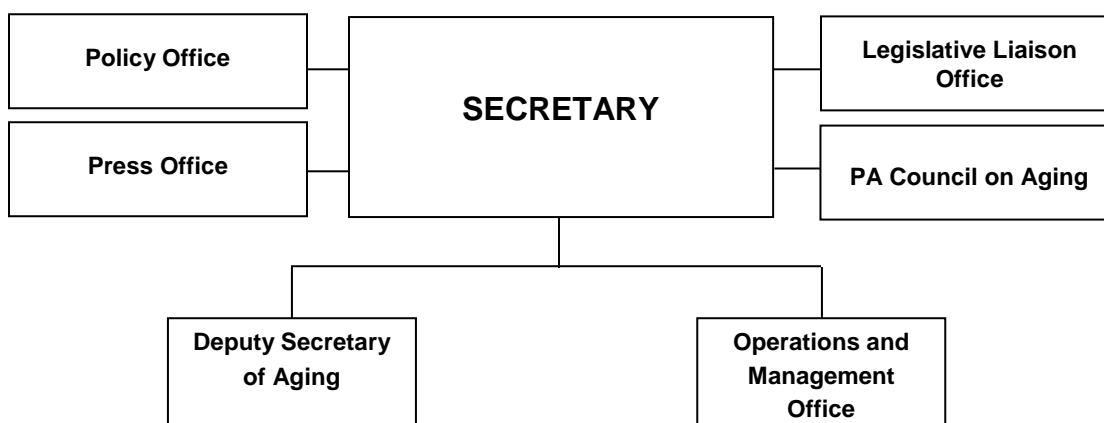
Statewide services are provided through the local Area Agencies on Aging. Services include long-term care assessment, home and community-based services, nutrition, employment, transportation, domiciliary care and protection. Additionally, the department manages the pharmaceutical assistance program for older Pennsylvanians.

Programs and Goals

Community Services for Older Pennsylvanians: *To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.*

Pharmaceutical Assistance: *To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.*

Organization Overview



- **Deputy Secretary of Aging** oversees the Aging and Disability Resources, Ombudsman and Protective Services Offices and the Bureaus of Aging Services, Quality Assurance, Finance and Pharmaceutical Assistance.
- **Operations and Management Office** is responsible for the Education and Outreach Office, Human Resource Office and the Pennsylvania Long-Term Care Council.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
97	97	97	102	102

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(F)Programs for the Aging - Title III - Administration.....	\$ 1,781 ^a	\$ 6,854 ^b	\$ 1,781
(F)Programs for the Aging - Title V - Administration.....	127 ^c	508 ^d	127
(F)Medical Assistance - Administration.....	2,342 ^e	9,452 ^f	2,354
(F)Programs for the Aging - Title VII - Administration.....	118 ^g	462 ^h	118
Subtotal.....	\$ 4,368	\$ 17,276	\$ 4,380
<i>Grants and Subsidies:</i>			
(F)Programs for the Aging - Title III.....	\$ 52,000 ⁱ	\$ 52,000	\$ 52,000
(F)Programs for the Aging - Nutrition.....	10,000 ^j	10,000	10,000
(F)Programs for the Aging - Title V - Employment.....	8,000 ^k	8,000	8,000
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	4,700 ^l	4,700	4,700
(F)Medical Assistance - Attendant Care.....	28,549 ^m	35,197	41,705
(F)Medical Assistance Support.....	9,000 ⁿ	27,870	9,000
(F)Medical Assistance Nursing Home Transition Administration.....	700 ^o	700	700
(F)Pre-Admission Assessment.....	16,000 ^p	58,939	17,000
(F)Programs for the Aging - Title III - Caregiver Support.....	10,000 ^q	10,000	10,000
Subtotal.....	\$ 138,949	\$ 207,406	\$ 153,105
GENERAL FUND TOTAL.....	\$ 143,317	\$ 224,682	\$ 157,485
LOTTERY FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 7,927	\$ 9,058	\$ 9,272
(A)Day Care Licensure.....	11	11	11
(A)Digital Fingerprint Fees.....	23	27	27
Subtotal.....	\$ 7,961	\$ 9,096	\$ 9,310
Subtotal - State Funds.....	\$ 7,927	\$ 9,058	\$ 9,272
Subtotal - Augmentations.....	34	38	38
Total - General Government.....	\$ 7,961	\$ 9,096	\$ 9,310
<i>Grants and Subsidies:</i>			
PENNCARE.....	\$ 299,306	\$ 309,917	\$ 317,311
(A)Attendant Care Patient Fees.....	280	155	285
Subtotal.....	\$ 299,586	\$ 310,072	\$ 317,596
Pre-Admission Assessment.....	10,735	16,135	16,135
Caregiver Support.....	12,103	12,103	12,103
Alzheimer's Outreach.....	250	250	250
Pharmaceutical Assistance Fund.....	155,000	190,000 ^r	220,000
Grants to Senior Centers.....	2,000	2,000	2,000
Subtotal - State Funds.....	\$ 479,394	\$ 530,405	\$ 567,799
Subtotal - Augmentations.....	280	155	285
Total - Grants and Subsidies.....	\$ 479,674	\$ 530,560	\$ 568,084
STATE FUNDS.....	\$ 487,321	\$ 539,463	\$ 577,071
AUGMENTATIONS.....	314	193	323
LOTTERY FUND TOTAL.....	\$ 487,635	\$ 539,656	\$ 577,394

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
OTHER FUNDS:			
TOBACCO SETTLEMENT FUND:			
PACENET Transfer (EA).....	\$ 0	\$ 0 ^s	\$ 0
PHARMACEUTICAL ASSISTANCE FUND:			
PACE Contracted Services (EA).....	\$ 34,207 ^t	\$ 26,205 ^t	\$ 5,777 ^t
Administration of PACE (EA).....	1,262	1,376	1,422
PHARMACEUTICAL ASSISTANCE FUND TOTAL.....	\$ 35,469	\$ 27,581	\$ 7,199
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	487,321	539,463	577,071
FEDERAL FUNDS.....	143,317	224,682	157,485
AUGMENTATIONS.....	314	193	323
OTHER FUNDS.....	35,469	27,581	7,199
TOTAL ALL FUNDS.....	\$ 666,421	\$ 791,919	\$ 742,078

^a Appropriated as \$1,781,000 for Programs for the Aging - Title III - Administration in the Lottery Fund.

^b Includes recommended supplemental appropriation of \$5,073,000.

^c Appropriated as \$127,000 for Programs for the Aging - Title V - Administration in the Lottery Fund.

^d Includes recommended supplemental appropriation of \$381,000.

^e Appropriated as \$2,342,000 for Medical Assistance - Administration in the Lottery Fund.

^f Includes recommended supplemental appropriation of \$7,098,000.

^g Appropriated as \$118,000 for Programs for the Aging - Title VII - Administration in the Lottery Fund.

^h Includes recommended supplemental appropriation of \$344,000.

ⁱ Appropriated as \$52,000,000 for Programs for the Aging - Title III in the Lottery Fund.

^j Appropriated as \$10,000,000 for Programs for the Aging - Nutrition in the Lottery Fund.

^k Appropriated as \$8,000,000 for Programs for the Aging - Title V - Employment in the Lottery Fund.

^l Appropriated as \$4,700,000 for Programs for the Aging - Title VII - Elder Rights Protection in the Lottery Fund.

^m Appropriated as \$28,549,000 for Medical Assistance - Attendant Care in the Lottery Fund.

ⁿ Appropriated as \$9,000,000 for Medical Assistance Support in the Lottery Fund.

^o Appropriated as \$700,000 for Medical Assistance Nursing Home Transition Administration in the Lottery Fund.

^p Appropriated as \$16,000,000 for Pre-Admission Assessment in the Lottery Fund.

^q Appropriated as \$10,000,000 for Programs for the Aging - Title III - Caregiver Support in the Lottery Fund.

^r Includes recommended supplemental appropriation of \$15,000,000.

^s Includes recommended reduction per HB1327 (Fiscal Code).

^t Transfer to the Pharmaceutical Assistance Fund not added to the total to avoid double counting: 2014-15 Actual is \$155,000,000, 2015-16 Available is \$190,000,000 and 2016-17 Budget is \$220,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	332,321	349,463	357,071	359,122	362,637	366,324	370,191
FEDERAL FUNDS.....	143,317	224,682	157,485	159,594	161,808	164,131	166,569
OTHER FUNDS.....	314	193	323	323	323	323	323
SUBCATEGORY TOTAL.....	<u>\$ 475,952</u>	<u>\$ 574,338</u>	<u>\$ 514,879</u>	<u>\$ 519,039</u>	<u>\$ 524,768</u>	<u>\$ 530,778</u>	<u>\$ 537,083</u>
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	155,000	190,000	220,000	230,000	235,000	235,000	235,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	35,469	27,581	7,199	1,436	1,451	1,465	1,688
SUBCATEGORY TOTAL.....	<u>\$ 190,469</u>	<u>\$ 217,581</u>	<u>\$ 227,199</u>	<u>\$ 231,436</u>	<u>\$ 236,451</u>	<u>\$ 236,465</u>	<u>\$ 236,688</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	487,321	539,463	577,071	589,122	597,637	601,324	605,191
FEDERAL FUNDS.....	143,317	224,682	157,485	159,594	161,808	164,131	166,569
OTHER FUNDS.....	35,783	27,774	7,522	1,759	1,774	1,788	2,011
DEPARTMENT TOTAL.....	<u><u>\$ 666,421</u></u>	<u><u>\$ 791,919</u></u>	<u><u>\$ 742,078</u></u>	<u><u>\$ 750,475</u></u>	<u><u>\$ 761,219</u></u>	<u><u>\$ 767,243</u></u>	<u><u>\$ 773,771</u></u>

Program: Community Services for Older Pennsylvanians

Goal: To enable older Pennsylvanians to maintain active and independent lives in their own homes or alternative community living arrangements.

The commonwealth's commitment to supporting older Pennsylvanians is demonstrated by a continuum of services ranging from independent living with the support of home and community-based services through institutional care.

The Department of Aging has established a network of in-home and community-based services addressing the varied needs of older Pennsylvanians. These programs enrich the lives of older Pennsylvanians and enable at-risk older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging (AAAs), serving all 67 counties, provide aging services at the local level.

Because many older Pennsylvanians require only minimal outside support to function independently, a basic service of AAAs is to inform them of available supports. AAAs sponsor more than 550 senior centers throughout the commonwealth that provide a full range of social, recreational and educational activities. Congregate meals, served by the centers, provide participating older Pennsylvanians with a hot, nutritionally balanced meal. Transportation services arranged by AAAs allow older Pennsylvanians to visit the doctor, shop or attend senior center events. Job placement services help older Pennsylvanians find private sector employment and offer job training and subsidized part-time community service employment.

At-risk older Pennsylvanians require more extensive and personalized services to remain in their homes and communities and avoid relocating to an institutional setting such as a nursing facility. The level of care assessment program assists older Pennsylvanians and their families in securing and managing intensive in-home services tailored to their needs. The department provides counseling to individuals to apprise them of choices in the continuum of care from community services to nursing facilities. Counseling is also provided to assist individuals currently residing in nursing facilities to transition to community services when their needs can be safely met in the community. A variety of personal support services are available for the growing population of older Pennsylvanians. The continuum of services is available based on the functional and financial qualifications of the participant, ranging from home-delivered meals to intensive in-home services for older Pennsylvanians

needing the level of care available in institutional settings. Services are designed to provide the least restrictive alternative to meet the individual's need. Persons with higher incomes share in the cost of services.

Additionally, under the Older Adult Protection Services Act, protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. The department, through the AAAs, investigates reports of need and develops individualized plans to eliminate or mitigate the risks.

Attendant care services are maintained for adults with disabilities transitioning at age 60 from the Department of Human Service's Attendant Care program. The enhanced level of personal care services is provided until health changes indicate that a change in service level is appropriate.

The Department 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 PA Caregiver Support Act was amended in 2011 to align the state and federal program requirements, expand the definition of caregiver to include non-relatives, eliminate the requirement that a caregiver live with the care recipient and change the title of the act to Pennsylvania Caregiver Support.

The commonwealth's goal is to serve more people in the community. To reach that goal, it will transition from multiple existing fee-for-service delivery systems to a consolidated, capitated, managed long-term services and supports system called Community HealthChoices (CHC). Under this system both home and community-based and nursing facility Medicaid-funded long-term services will be delivered by private managed care organizations. CHC will roll out in three phases over three years, beginning in the southwest in 2017, followed by the southeast in 2018 and finishing in 2019 with the remainder of the commonwealth. CHC will provide necessary services to enrolled individuals and will coordinate Medicare and Medicaid funding for dually eligible (Medicare and Medicaid) individuals and those who qualify for Medicaid long-term services and supports.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

LOTTERY FUND
General Government Operations
 \$ 214 —to continue current program.

Program: Community Services for Older Pennsylvanians (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

		PENNCARE
\$	3,454	—annualization of prior year expansion of attendant care services.
	102	—revision of federal financial participation from 52.01% to 51.78%.
	2,538	—Initiative—Community Opportunities. To provide attendant care services for an additional 312 recipients who transfer from the Department of Human Services' Attendant Care program at age 60.
	1,300	—Initiative—Reporting System Upgrade. To update the financial reporting system to better manage allocation of funds to local Area Agencies on Aging.
\$	7,394	<i>Appropriation Increase</i>

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
LOTTERY FUND:							
General Government Operations	7,927	9,058	9,272	9,365	9,458	9,553	9,648
PENNCARE	299,306	309,917	317,311	319,269	322,691	326,283	330,055
Pre-Admission Assessment	10,735	16,135	16,135	16,135	16,135	16,135	16,135
Caregiver Support	12,103	12,103	12,103	12,103	12,103	12,103	12,103
Alzheimer's Outreach	250	250	250	250	250	250	250
Grants to Senior Centers	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL LOTTERY FUND	\$ 332,321	\$ 349,463	\$ 357,071	\$ 359,122	\$ 362,637	\$ 366,324	\$ 370,191

Program: Pharmaceutical Assistance

Goal: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.

The Pharmaceutical Assistance Contract for the Elderly (PACE) 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 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 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 enabled cardholders to take advantage of the features of both PACE and Medicare Part D. With the goal of providing seamless coverage, the PACE/PACENET benefit wraps around Medicare Part D and covers the Part D deductibles, prescriptions during the coverage gap phase, drugs excluded under MMA, drugs not on a plan's formulary, and copayment differentials between the Part D plan coverage and the PACE/PACENET copayments. PACE pays the Medicare premiums for Part D coverage for PACE cardholders, while PACENET cardholders either pay the Part D premiums or the program's benchmark premium, which replaced 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 under Part D as well as collaborating with selected prescription drug plans to facilitate enrollment of PACE/PACENET cardholders into Part D. The program 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. It does not cover medications that can be purchased without a prescription, cosmetic drugs or "less than effective drugs" without certification by a physician. Cardholders pay a mandatory copayment of \$6 for generic and \$9 for brand-name prescriptions under PACE and \$8 for generic and \$15 for brand-name prescriptions under PACENET.

The department is responsible for ensuring compliance with the program requirements. In addition to careful review of eligibility, including income verification by matching with Pennsylvania income tax returns, the department audits providers to detect and deter fraud and has established both a prospective and a retrospective drug utilization review system to monitor and correct misuse of drug therapies.

The department also serves as the administrative and fiscal agent for other commonwealth-sponsored drug reimbursement programs. It processes claims, adjudicates claims, conducts cardholder and provider enrollment, and/or collects drug rebates from pharmaceutical manufacturers for select programs in the Departments of Corrections and Rehabilitation, Health and Insurance.

In accordance with Act 111 of 2006, participating pharmacies are reimbursed at 88 percent of the average wholesale costs of prescription drugs plus a dispensing fee, their usual and customary charge, or the most current federal upper payment limit established in the Medicaid program for generic drugs plus a dispensing fee, whichever is less. A prudent pharmaceutical purchasing program ensures that the program receives a discount from drug manufacturers. The program 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.

Beginning in 2015-16, the department has begun a more concerted effort to encourage its providers, prescribing physicians and Medicare Part D "partner plans" to use more cost efficient medications in treating the program enrollment. This program change aligns with federal Medicaid guidelines. In selected therapeutic classes, beginning with insulin treatments and gastrointestinal medications, the program will ensure that enrollees have access to less expensive, therapeutic equivalent medications.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	LOTTERY FUND
	Pharmaceutical Assistance Fund
\$ 30,000	—increase in Lottery Funds transfer needed to support the PACE program.

Program: Pharmaceutical Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	\$ <u>155,000</u>	\$ <u>190,000</u>	\$ <u>220,000</u>	\$ <u>230,000</u>	\$ <u>235,000</u>	\$ <u>235,000</u>	\$ <u>235,000</u>

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Community Services for Older Pennsylvanians

Objective: Increase consumers in home and community-based services and expand outreach to connect Pennsylvanian's to long-term care supports and services so they remain living at home.

Number of Unduplicated persons served through the Older Americans Act	354,130	364,110	358,680	358,975	360,590	359,415	359,660
Number of persons served in the community who have at least 3+ Activities of Daily Living (ADLs)	200,280	204,600	208,790	212,970	217,990	221,350	225,535

Objective: Increase services and support for caregivers in the Caregiver Support Program and develop a tool to better assess caregiver needs across the commonwealth.

Persons Receiving Assistance

Number of families receiving caregiver support	6,504	6,310	6,500	6,695	6,895	7,100	7,315
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Objective: Reduce the time between receiving reports of need and a satisfactory resolution of the issue.

Persons Receiving Assistance

Protective services	24,495	26,090	28,460	30,820	33,190	35,560	37,920
Ombudsman program activities	19,101	19,295	19,385	19,580	19,775	19,975	20,175

Objective: Increase long-term care options so that older Pennsylvanians and Pennsylvanians with physical disabilities can choose how and where they receive services.

Number of Pennsylvanians age 60 and older	2,955,909	3,018,740	3,081,570	3,144,400	3,207,230	3,270,060	3,332,890
Number of Pennsylvanians age 85 and older	329,975	334,110	338,250	342,390	346,530	350,665	354,800

Pre-Admission Assessment

Number of assessments/recertifications	114,489	116,690	118,980	121,260	123,540	125,820	128,100
Referrals to nursing homes	37,261	37,510	37,080	36,650	36,225	35,800	35,370
Referrals to community services	51,020	51,440	53,080	54,730	56,370	58,010	59,650

Persons Receiving Assistance

Number of congregate meals served	121,877	122,400	123,130	123,870	124,600	125,340	126,070
Personal assistance services	1,684	1,820	1,880	1,940	2,000	2,060	2,120
Number of attendant care services provided	2,048	2,360	2,670	2,670	2,670	2,670	2,670
Home-delivered meals	43,482	43,250	45,090	46,930	48,780	50,620	52,470
Home support services	7,812	7,580	7,880	8,200	8,510	8,820	9,130
Personal care services	16,118	15,530	15,850	16,180	16,510	16,840	17,170
Insurance Counseling	216,198	218,360	220,545	222,750	224,975	227,225	229,500

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Objective: Ensure that eligible older Pennsylvanians who need help in paying for medications are enrolled in PACE/PACENET.							
Comprehensive PACE Program							
Number of older Pennsylvanians enrolled (average) in PACE	110,033	104,310	98,885	93,745	88,870	84,250	79,870
Total prescriptions per year - PACE	3,433,030	3,215,460	3,011,670	2,820,810	2,642,030	2,474,595	2,317,765
Average PACE cost per prescription	\$22.81	\$25.69	\$28.05	\$30.62	\$33.45	\$36.56	\$39.94
PACE Needs Enhancement Tier (PACENET)							
Number of older Pennsylvanians enrolled (average) in PACENET	158,772	155,755	152,795	149,895	147,045	144,250	141,510
Total prescriptions per year - PACENET	4,953,686	4,849,845	4,748,185	4,648,660	4,551,210	4,455,805	4,362,395
Average PACENET cost per prescription	\$23.53	\$26.30	\$28.69	\$31.29	\$34.14	\$37.24	\$40.63

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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.

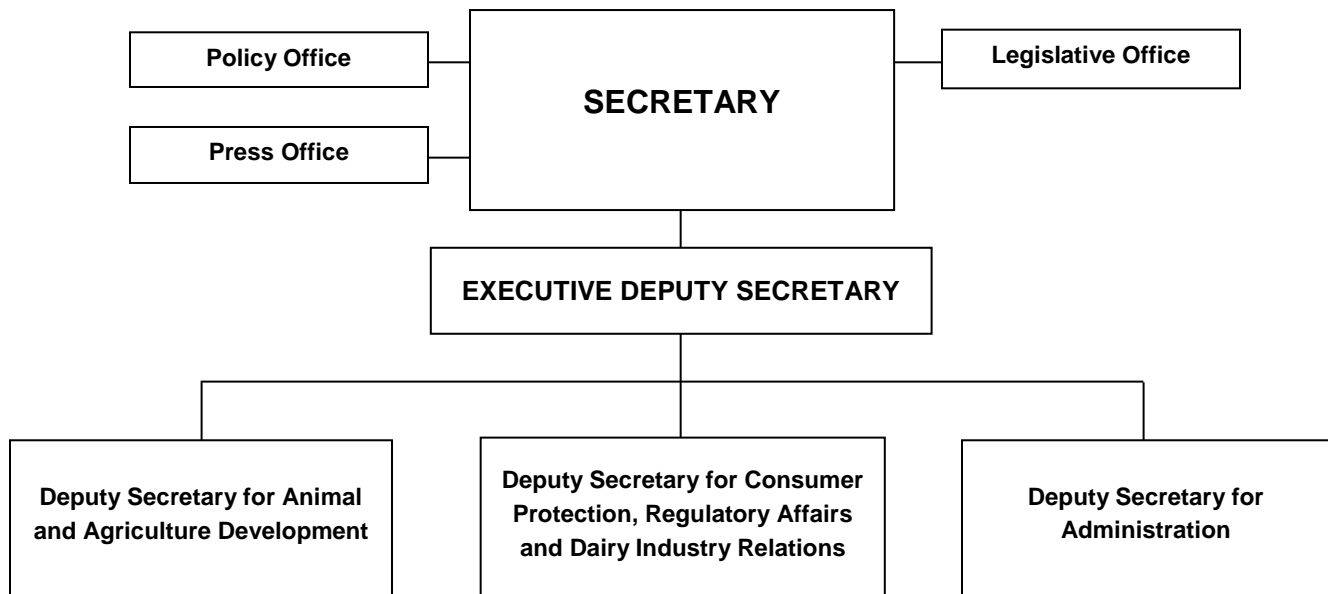
Programs and Goals

Protection and Development of Agricultural Industries: *To strengthen the agricultural economy and related enterprises.*

Horse Racing Regulation: *To prevent consumer fraud in the racing industry.*

Emergency Food Assistance: *To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.*

Organization Overview



- **Deputy Secretary for Animal and Agriculture Development** is responsible for the Bureau of Animal Health, Animal Health and Diagnostic Commission, Horse and Harness Racing Commission, Pennsylvania Equine Toxicology Research Laboratory, Livestock Evaluation Center, state-owned farms and other agricultural initiatives.
- **Deputy Secretary for Consumer Protection, Regulatory Affairs and Dairy Industry Relations** is responsible for the Bureau of Food Safety and Laboratory Services, Bureau of Ride and Measurement Standards, Bureau of Plant Industry and Bureau of Food Distribution.
- **Deputy Secretary for Administration** is responsible for the Bureau of Market Development, Bureau of Farmland Preservation, Hardwoods Development Council, Bureau of Administrative Services, Information Technology Services Office and the Human Resources Office.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
604	596	594	592	590

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 25,269	\$ 28,434^a	\$ 36,036
(F) Plant Pest Detection System.....	1,300	1,300	1,300
(F) Poultry Grading Service.....	100	100	100
(F) Medicated Feed Mill Inspection.....	50	50	50
(F) National School Lunch Administration.....	1,700	1,700	1,700
(F) Emergency Food Assistance.....	4,000	4,000	4,000
(F) Biofuel Infrastructure Partnership.....	0	7,000	0
(F) Pesticide Control.....	1,000	1,000	1,000
(F) Agricultural Risk Protection.....	1,000	1,000	1,000
(F) Commodity Supplemental Food.....	3,000	3,000	3,000
(F) Organic Cost Distribution.....	350	350	350
(F) Animal Disease Control.....	2,000	2,000	2,000
(F) Food Establishment Inspections.....	1,500	1,500	2,500
(F) Integrated Pest Management.....	250	250	250
(F) Johnes Disease Herd Project.....	2,000	2,000	2,000
(F) Avian Influenza Surveillance.....	2,000	25,000	2,000
(F) Oral Rabies Vaccine.....	100	100	100
(F) Exotic Newcastle Disease Control.....	300	300	300
(F) Scrapie Disease Control.....	60	60	60
(F) Foot and Mouth Disease Monitoring.....	150	150	150
(F) Wildlife Services.....	800	800	800
(F) Animal Identification.....	2,000	2,000	2,000
(F) Specialty Crops.....	1,500	1,500	1,500
(F) Emerald Ash Borer Mitigation.....	800	800	800
(F) Mediation Grant.....	200	200	200
(F) Farmland Protection.....	6,000	6,000	6,000
(F) Crop Insurance.....	2,000	2,000	2,000
(F) Spotted Lanternfly.....	0	1,500	1,500
(F) Animal Feed Regulatory Program.....	0	0	2,000
(A) Lime Control Fees.....	34	33	33
(A) Commercial Feed Inspections.....	689	623	623
(A) Milk Plant Inspections.....	24	24	20
(A) Administrative Services.....	3,940	2,673	2,497
(A) Pesticide Regulation.....	620	800	800
(A) Training Rides and Attractions.....	32	32	32
(A) Food Site Inspection.....	94	95	139
(A) Apiary Registration and Fees.....	19	14	14
(A) Transfer from Fertilizer Account.....	12	25	25
(A) Consumer Fireworks License.....	405	375	365
(A) Taxidermy Permit Registrations.....	138	110	110
(A) Transfer from Motor License Fund.....	0 ^b	0 ^b	0 ^b
(A) Transfer from Other State Agencies.....	233	180	137
(A) Vet Lab Diagnostic Fees.....	808	750	725
(A) Domestic Animal Dealer License.....	55	53	53
(A) Food Site Inspection, License and Registration Fees.....	43	44	45
(A) Transfer from Environmental Stewardship Fund.....	244	272	272
Subtotal.....	\$ 66,819	\$ 100,197	\$ 80,586
Agricultural Excellence.....	1,100	0	0
Farmers' Market Food Coupons.....	2,079	2,079	2,079
(F) Farmers' Market Food Coupons.....	3,500	3,500	3,500
(F) Senior Farmers' Market Nutrition.....	2,200	2,200	2,200
Agricultural Research.....	787	0	0
Agricultural Promotion, Education and Exports.....	250	0	0
Hardwoods Research and Promotion.....	350	0	0
Subtotal - State Funds.....	\$ 29,835	\$ 30,513	\$ 38,115
Subtotal - Federal Funds.....	39,860	71,360	44,360
Subtotal - Augmentations.....	7,390	6,103	5,890

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Total - General Government.....	\$ 77,085	\$ 107,976	\$ 88,365
Grants and Subsidies:			
Livestock Show.....	\$ 177	\$ 0	\$ 0
Open Dairy Show.....	177	0	0
Youth Shows.....	140	140	140
State Food Purchase.....	17,438	18,438	20,438
Food Marketing and Research.....	494	494	494
(F)Market Improvement.....	250	250	250
Transfer to Nutrient Management Fund.....	2,714	2,714	2,714
Transfer to Conservation District Fund.....	869	869	869
Transfer to Agricultural College Land Scrip Fund.....	46,237	48,549 ^c	50,976
PA Preferred Program Trademark Licensing.....	550	550	550
University of Pennsylvania - Veterinary Activities.....	28,000	28,000 ^d	28,000
University of Pennsylvania - Center for Infectious Disease.....	261	261 ^e	261
Subtotal - State Funds.....	\$ 97,057	\$ 100,015	\$ 104,442
Subtotal - Federal Funds.....	250	250	250
Total - Grants and Subsidies.....	\$ 97,307	\$ 100,265	\$ 104,692
STATE FUNDS.....	\$ 126,892	\$ 130,528	\$ 142,557
FEDERAL FUNDS.....	40,110	71,610	44,610
AUGMENTATIONS.....	7,390	6,103	5,890
GENERAL FUND TOTAL.....	\$ 174,392	\$ 208,241	\$ 193,057
<u>MOTOR LICENSE FUND:</u>			
General Government:			
Weights & Measures Administration.....	\$ 4,328	\$ 4,728	\$ 4,728
Grants and Subsidies:			
Dirt, Gravel and Low Volume Roads.....	\$ 28,000	\$ 28,000	\$ 28,000
MOTOR LICENSE FUND TOTAL.....	\$ 32,328	\$ 32,728	\$ 32,728
<u>OTHER FUNDS:</u>			
FARM PRODUCTS SHOW FUND:			
General Operations (EA).....	\$ 10,800	\$ 11,851	\$ 12,639
RACING FUND:			
State Racing Commissions (EA).....	\$ 12,920	\$ 12,974	\$ 7,467
Equine Toxicology and Research Laboratory (EA).....	2,844	4,890	10,149
(A) Reimbursements - Out of State Testing.....	17	30	15
Pennsylvania Fairs - Administration (EA).....	320	320	207
(R)Sire Stakes Fund.....	9,491	9,000	9,000
(R)Breeders' Fund.....	17,525	17,300	17,300
(R)PA Standardbred Breeders Development Fund.....	7,625	8,200	8,200
RACING FUND TOTAL.....	\$ 50,742	\$ 52,714	\$ 52,338
GENERAL FUND:			
Agriculture Farm Operations.....	\$ 736	\$ 712	\$ 712
Dog Law Administration.....	7,815	6,923	7,172
Pesticide Regulation.....	3,685	4,352	4,500
Plant Pest Management.....	435	502	465
National School Lunch.....	21	60	60
Agronomic Regulatory Account.....	325	309	319
Fruit and Vegetable Inspection and Grading.....	333	430	370
Cervidae Livestock Operations.....	93	50	50
GENERAL FUND TOTAL.....	\$ 13,443	\$ 13,338	\$ 13,648

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)			
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
AGRICULTURAL COLLEGE LAND SCRIP FUND:			
Agricultural Research Programs and Extension Services.....	\$ 0 ^f	\$ 0 ^f	\$ 0 ^f
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements (EA).....	\$ 27,500	\$ 30,000	\$ 32,000
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 2,791	\$ 2,791	\$ 2,839
ENVIRONMENTAL STEWARDSHIP FUND:			
Transfer to Agricultural Conservation Easement Program (EA).....	\$ 9,773	\$ 13,097	\$ 10,670
NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants and Technical Assistance (EA).....	\$ 375	\$ 375	\$ 365
Nutrient Management - Administration (EA).....	564	679	698
NUTRIENT MANAGEMENT FUND TOTAL.....	<u>\$ 939</u>	<u>\$ 1,054</u>	<u>\$ 1,063</u>
PA RACE HORSE DEVELOPMENT FUND:			
(R)Animal Health and Diagnostic Commission.....	\$ 5,350	\$ 5,350	\$ 5,350
(R)Payments to Pennsylvania Fairs.....	3,000	4,000	4,000
(R)Pennsylvania Veterinary Lab.....	5,309	5,309	5,309
(R)Transfer to State Farm Products Show Fund.....	4,000	5,000	5,000
(R) Transfer to State Racing Fund.....	0	6,100	11,000
Transfer to State Racing Fund.....	600	0	0
PA RACE HORSE DEVELOPMENT FUND TOTAL.....	<u>\$ 18,259</u>	<u>\$ 25,759</u>	<u>\$ 30,659</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 126,892	\$ 130,528	\$ 142,557
SPECIAL FUNDS.....	32,328	32,728	32,728
FEDERAL FUNDS.....	40,110	71,610	44,610
AUGMENTATIONS.....	7,390	6,103	5,890
OTHER FUNDS.....	134,247	150,604	155,856
TOTAL ALL FUNDS.....	<u><u>\$ 340,967</u></u>	<u><u>\$ 391,573</u></u>	<u><u>\$ 381,641</u></u>

^a Includes recommended supplemental appropriation of \$794,000.

^b Not added to avoid double counting. See Motor License Fund section of this summary for dollar amount.

^c Includes recommended supplemental appropriation of \$48,549,000.

^d Includes recommended supplemental appropriation of \$28,000,000.

^e Includes recommended supplemental appropriation of \$261,000.

^f Not added to the total to avoid double counting. 2014-15 Actual is \$46,237,000, 2015-16 Available is \$48,549,000, 2016-17 Budget is \$50,976,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 107,375	\$ 110,011	\$ 120,040	\$ 117,449	\$ 121,237	\$ 121,549	\$ 121,865
SPECIAL FUNDS.....	32,328	32,728	32,728	32,775	32,823	32,871	32,920
FEDERAL FUNDS.....	24,550	56,050	29,050	29,060	29,050	29,050	29,050
OTHER FUNDS.....	90,895	103,993	109,408	98,408	98,408	98,408	98,285
SUBCATEGORY TOTAL.....	<u>\$ 255,148</u>	<u>\$ 302,782</u>	<u>\$ 291,226</u>	<u>\$ 277,692</u>	<u>\$ 281,518</u>	<u>\$ 281,878</u>	<u>\$ 282,120</u>
HORSE RACING REGULATION							
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.....	50,742	52,714	52,338	52,338	52,338	52,338	52,338
SUBCATEGORY TOTAL.....	<u>\$ 50,742</u>	<u>\$ 52,714</u>	<u>\$ 52,338</u>	<u>\$ 52,338</u>	<u>\$ 52,338</u>	<u>\$ 52,338</u>	<u>\$ 52,338</u>
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 19,517	\$ 20,517	\$ 22,517	\$ 22,517	\$ 22,517	\$ 22,517	\$ 22,517
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	15,560	15,560	15,560	15,560	15,560	15,560	15,560
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 35,077</u>	<u>\$ 36,077</u>	<u>\$ 38,077</u>	<u>\$ 38,077</u>	<u>\$ 38,077</u>	<u>\$ 38,077</u>	<u>\$ 38,077</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 126,892	\$ 130,528	\$ 142,557	\$ 139,966	\$ 143,754	\$ 144,066	\$ 144,382
SPECIAL FUNDS.....	32,328	32,728	32,728	32,775	32,823	32,871	32,920
FEDERAL FUNDS.....	40,110	71,610	44,610	44,620	44,610	44,610	44,610
OTHER FUNDS.....	141,637	156,707	161,746	150,746	150,746	150,746	150,623
DEPARTMENT TOTAL.....	<u>\$ 340,967</u>	<u>\$ 391,573</u>	<u>\$ 381,641</u>	<u>\$ 368,107</u>	<u>\$ 371,933</u>	<u>\$ 372,293</u>	<u>\$ 372,535</u>

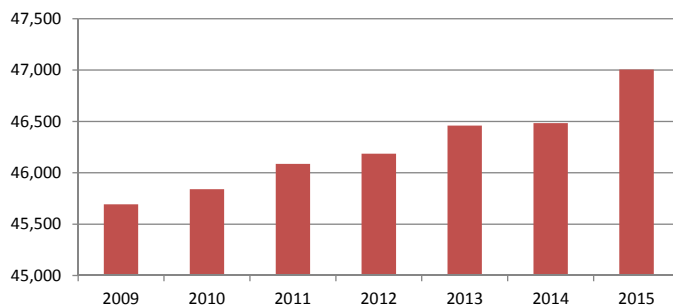
Program: Protection and Development of Agricultural Industries

Goal: To strengthen the agricultural economy and related enterprises.

Program: Consumer Protection

The Department of Agriculture is responsible for a number of areas critical to protecting consumers by ensuring a safe food supply from the production line to the point of sale, including inspection of more than 47,000 facilities – a number that continues to grow each year as municipalities elect to eliminate their local programs, thereby transferring responsibility to the commonwealth.

Number of Food Facilities to Inspect



Similarly, the department has seen a significant increase in its regulatory responsibility to verify the accuracy of scales and meters at locations such as grocery stores and gas stations. While the number of licensees has increased, at the same time, municipal governments are eliminating their local programs. With no additional personnel to meet these increasing obligations, the department is working to partner with certified professionals from the private sector to ensure consumers the weights and volumes of products they purchase are accurate.

Consumer Protection Inspections and Certifications	2013-14	2014-15	2015-16
Weights and Measures Devices and Systems	148,975	150,000	150,000*
Amusement Rides	9,000	9,000	9,000*
Fuel Dispenser Meters Certified	79,875	80,000	80,000*

*Estimated

The department is also on the leading edge of protecting agriculture and the state's nurseries and greenhouses against potentially devastating plant pests and diseases, including invasive species, such as the Spotted Lanternfly or Brown Marmorated Stink Bug. These and other new pests represent threats to Pennsylvania's ecological systems and agricultural production. Additionally, the department further works to protect consumers and public health by overseeing the sale, use and handling of pesticides.

Program: Stewardship

Farmers are some of the original stewards of the land and water resources. Healthy, viable farms depend on access to clean water and fertile land with healthy soils. Conversely, the health of Pennsylvania soils, the preservation of open space, and the quality of streams and rivers depends on healthy and viable farms. It is a symbiotic and mutually beneficial relationship that the department is committed to protecting in many ways.

Pennsylvania is the national leader in farmland preservation. The state leads all others in number of farms and number of acres preserved, with totals surpassing 4,700 farms and half a million acres, respectively. The department is responsible for protecting this land and future farms from the threat of development, keeping these operations in production agriculture for perpetuity. To that end, the department is working to ensure preserved farm owners have plans in place to transition these operations to new owners or the next generation of the family.

The department also maintains administrative responsibility for the State Conservation Commission. From working with the departments of Agriculture and Environmental Protection, county conservation commission.

Program: Promotion and Market Development

The health of the economy and the future viability of agriculture are tied to the industry's ability to produce products efficiently, reach new markets, and expand existing markets. It is also critically important that consumers understand agriculture and how the food they enjoy makes its way from farm to fork.

The department works aggressively to help farmers, food processors, food manufacturers and other agribusinesses access capital for investing in their operations, build brand awareness with new and established customers, and reach international market opportunities. For example, the PA Preferred program now boasts nearly 1,700 members. International trade efforts helped to boost exports of poultry, live animals and egg products 65% through the first three-quarters of 2015. And in 2014, the Next Generation Farmer Loan Program awarded \$9.5 million in loans to 22 farmers that were leveraged to attract another \$8.5 million in private capital helping to transition over 1,200 acres of farmland to the next generation.

The Department of Agriculture also supports Pennsylvania's 109 county and community fairs, and it operates the Pennsylvania Farm Show Complex and Exposition Center. The complex hosts the state's three sponsored shows: the annual Pennsylvania Farm Show, the All-American Dairy Show and the Keystone International

Program: Protection and Development of Agricultural Industries (continued)

Livestock Exposition. With other events held throughout the year, the facility helps connect people to agriculture, and it provides an estimated \$260 million economic impact to central Pennsylvania. Fairs add another \$126 million in statewide economic impact.

Program: Laboratory Services, Research and Extension

Expanding knowledge and the science of everything from the epidemiology of animal diseases to minimizing the spread of invasive pests requires ongoing research. The department's budget supports a number of critically important research components, as well as resources to disseminate that research among practitioners. The three-part Pennsylvania Animal Diagnostic Laboratory System (PADLS) and the Animal Health and Diagnostic Commission works to detect, identify, contain and eradicate livestock and poultry diseases. PADLS includes the Pennsylvania Veterinary Laboratory (PVL), which is part of a nationwide network of state and federal laboratories that provide rapid and accurate diagnostic services to

clients, maintain a bio-secure environment, and offer state-of-the-art testing methods for surveillance and detection. Important partners in this work include the Pennsylvania State University, as well as the University of Pennsylvania's School of Veterinary Medicine. Both academic institutions are partners in PADLS. The department also supports Penn State's Cooperative Extension service through the Agricultural College Land Scrip Fund to share research with those in the field and the general public.

Laboratory Services and Inspections	2013-14	2014-15	2015-16
Samples Tested in the Animal Health and Diagnostic Laboratory System	580,000	580,000	630,000*
Avian Influenza Samples	100,000	150,000	200,000*
Rabies Testing	2,000	2,000	2,000*
Chronic Wasting Disease	10,000	10,000	10,000*
Animal Health Inspections	8,000	8,000	8,800*

* Estimated

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND	
General Government Operations	
\$ 2,102	—to continue current program.
2,000	—Initiative—Government that Works. To provide for information technology modernization and mobile communication enhancements.
3,500	—Initiative—Avian Influenza Response. To ensure preparedness and support response in the event of an outbreak of HPAI.
<u>\$ 7,602</u>	<i>Appropriation Increase</i>
Transfer to Agricultural College Land Scrip Fund	
\$ 2,427	—to provide increased resources for agricultural research and extension activities.

MOTOR LICENSE FUND

Weights and Measures Administration is recommended at the current year funding level.

All other General Fund appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 25,269	\$ 28,434	\$ 36,036	\$ 30,896	\$ 31,205	\$ 31,517	\$ 31,833
Agricultural Excellence	1,100	0	0	0	0	0	0
Agricultural Research	787	0	0	0	0	0	0
Agricultural Promotion, Education and Exports.....	250	0	0	0	0	0	0
Hardwoods Research and Promotion.....	350	0	0	0	0	0	0
Livestock Show.....	177	0	0	0	0	0	0
Open Dairy Show	177	0	0	0	0	0	0
Youth Shows.....	140	140	140	140	140	140	140

Program: Protection and Development of Agricultural Industries (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Food Marketing and Research	\$ 494	\$ 494	\$ 494	\$ 494	\$ 494	\$ 494	\$ 494
Transfer to Nutrient Management Fund	2,714	2,714	2,714	2,714	2,714	2,714	2,714
Transfer to Conservation District Fund	869	869	869	869	869	869	869
Transfer to Agricultural College Land Scrip Fund	46,237	48,549	50,976	53,525	57,004	57,004	57,004
PA Preferred Program Trademark Licensing	550	550	550	550	550	550	550
University of Pennsylvania - Veterinary Activities	28,000	28,000	28,000	28,000	28,000	28,000	28,000
University of Pennsylvania - Center for Infectious Disease	261	261	261	261	261	261	261
TOTAL GENERAL FUND	\$ 107,375	\$ 110,011	\$ 120,040	\$ 117,449	\$ 121,237	\$ 121,549	\$ 121,865
FARM PRODUCTS SHOW FUND:							
General Operations (EA)	\$ 10,800	\$ 11,851	\$ 12,639	\$ 12,639	\$ 12,639	\$ 12,639	\$ 12,639
MOTOR LICENSE FUND:							
Weights & Measures Administration	\$ 4,328	\$ 4,728	\$ 4,728	\$ 4,775	\$ 4,823	\$ 4,871	\$ 4,920
Dirt, Gravel and Low Volume Roads	28,000	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND	\$ 32,328	\$ 32,728	\$ 32,728	\$ 32,775	\$ 32,823	\$ 32,871	\$ 32,920

Program: Horse Racing Regulation

Goal: To prevent consumer fraud in the racing industry.

The department maintains administrative responsibilities for the Horse and Harness Racing Commissions making it responsible for maintaining the integrity of horse racing in Pennsylvania. Emphasis is placed on protecting those engaged in equine racing and those who wager on it. The oversight of equine racing at Pennsylvania's six horse and harness racing tracks is financed by the State Racing Fund. Revenues to the Racing Fund are provided by pari-mutuel tax from wagering on horse races, license fees, and transfers from the Pennsylvania Race Horse Development Fund. Due to year over year declines in wagering and the rising costs of race horse testing, this budget proposes additional transfers from the Pennsylvania Race Horse Development Fund. The racing commissions maintain the Pennsylvania Equine Toxicology and Research Laboratory. This lab performs equine blood and urine testing to ensure that no foreign, performance-enhancing substances have undermined the legitimacy of race results or threatened the health of the racing Thoroughbreds or Standardbreds.

The department is currently working with the General Assembly and racing industry stakeholders to modernize Pennsylvania's equine racing industry. Efforts include a review of commission governance structure, examination of oversight efficiencies, options for sustained financial stability, and general considerations for how horse racing and the regulated community can best be positioned for success in the future.

Horse and Harness Racing Regulation	2013-14	2014-15	2015-16
Licenses Issued by the Horse and Harness Racing Commissions	11,975	12,382	13,500*
Compliance Investigations	8,712	7,275	9,000*
Licenses Suspended	394	328	400*
Samples Processed at the Pennsylvania Equine Lab	33,000	41,000	41,000*

* Estimated

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

RACING FUND		Pennsylvania Fairs - Administration (EA)	
State Racing Commissions (EA)		—to continue current program.	
\$ -5,507	State Racing Commissions (EA) —to properly align drug testing and related enforcement costs under single executive authorization.	\$ -113	
Equine Toxicology and Research Laboratory (EA)			
\$ 5,507	—to properly align drug testing and related enforcement costs under single executive authorization.		
\$ -248	—non-recurring equipment costs.		
\$ 5,259	Appropriation Increase		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
RACING FUND:							
State Racing Commissions (EA)	\$ 12,920	\$ 12,974	\$ 7,467	\$ 7,467	\$ 7,467	\$ 7,467	\$ 7,467
Equine Toxicology and Research Laboratory (EA)	2,844	4,890	10,149	10,149	10,149	10,149	10,149
Pennsylvania Fairs - Administration (EA) ..	320	320	207	207	207	207	207
(R)Sire Stakes Fund	9,491	9,000	9,000	9,000	9,000	9,000	9,000
(R)Breeder's Fund	17,525	17,300	17,300	17,300	17,300	17,300	17,300
(R)PA Standardbred Breeders Development Fund	7,625	8,200	8,200	8,200	8,200	8,200	8,200
TOTAL RACING FUND	\$ 50,725	\$ 52,684	\$ 52,323	\$ 52,323	\$ 52,323	\$ 52,323	\$ 52,323

Program: Emergency Food Assistance

Goal: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.

With such an abundant supply of food in Pennsylvania, the challenge of addressing hunger should not be insurmountable. According to research, hunger touches every county in Pennsylvania, and one in seven of the state's residents is at risk of hunger, including more than half a million children. The department administers a number of programs to address the hunger challenge, including the State Food Purchase Program, the Emergency Food Assistance Program, and the Farmers Market Nutrition Program.

The department is working to expand Pennsylvania's hunger safety net by ensuring available programs reach eligible citizens and the programs function as efficiently and effectively as possible. That includes turning quality surplus agricultural products that would otherwise be discarded into donations to the charitable food system, increasing redemption rates for programs, and doing more

to help children – particularly those who are at risk – get a good and healthy meal at school and during the summer months.

Food Assistance	2013-14	2014-15	2015-16
Dollar Value of Commodities Distributed (<i>in millions</i>)	66.3	62.4	62.4*
State Food Purchase Program Individuals Served (<i>in millions</i>)	2	2	2*
Emergency Food Assistance Program Individuals Served (<i>in millions</i>)	7.5	8.0	8.0*
Redemption Rate for WIC Participants-Farmers Market Nutrition Program	53%	52%	54%*
Redemption Rate for Senior Participants-Farmers Market Nutrition Program	87%	86%	87%*

* Estimated

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 2,000 State Food Purchase
—Initiative—State Food Purchase. To expand the distribution of foods to needy families and individuals.

The Farmers' Market Food Coupons appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Farmers' Market Food Coupons.....	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079	\$ 2,079
State Food Purchase.....	17,438	18,438	20,438	20,438	20,438	20,438	20,438
TOTAL GENERAL FUND	\$ 19,517	\$ 20,517	\$ 22,517	\$ 22,517	\$ 22,517	\$ 22,517	\$ 22,517

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Protection and Development of Agricultural Industries

Objective: Conserve Pennsylvania's natural resources.

Development of Pennsylvania's Agriculture Industry

Number of Dirt, Gravel and Low Volume Road program contracts to achieve nitrogen, phosphorous and sediment reduction	162	175	185	195	205	215	215
Dirt, Gravel and Low Volume Environmentally Sensitive Maintenance worksites (project miles) completed	162	510	680	680	600	600	600
Inspect 1,000 farms annually for compliance with nutrient management plans.	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Farm acreage preserved	17,500	30,000	30,000	30,000	30,000	30,000	30,000

Objective: Increase awareness and consumption of food and fiber grown, harvested, processed and produced in Pennsylvania.

Development of Pennsylvania's Agriculture Industry

Dollar value of food and agricultural exports excluding hardwoods (in millions)	\$2,214	\$2,300	\$2,400	\$2,400	\$2,500	\$2,500	\$2,500
Dollar value of Pennsylvania hardwood exports (in millions)	\$1,302	\$1,300	\$1,350	\$1,400	\$1,400	\$1,400	\$1,400
Occupancy rate at the Pennsylvania Farm Show Complex and Expo Center	78.60%	79%	79%	79.50%	79.50%	79.50%	80%

Objective: Increase access to capital for Pennsylvania farmers, processors, farm markets and agribusinesses through expansion of agricultural loan opportunities.

Development of Pennsylvania's Agriculture Industry

Value of the loan portfolio for the PAgrows Program (in thousands)	\$11,686	\$11,000	\$11,000	\$11,500	\$11,500	\$12,000	\$12,000
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Objective: Decrease potential financial losses to farmers from natural disasters and market catastrophes.

Development of Pennsylvania's Agriculture Industry

Value of crop insurance protection policies (in millions)	\$558	\$564	\$575	\$581	\$581	\$581	\$581
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Objective: Improve profitability and maintain dairy farms, dairy herd size and total milk production in Pennsylvania.

Development of Pennsylvania's Agriculture Industry

Number of farms participating in dairy on-farm resource teams	400	450	475	510	545	555	555
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Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Decrease nutrient runoff and conserve Pennsylvania's natural resources through increased opportunities and incentives in addition to Best Management Practices.

Nutrient Management

Number of farm acres covered by approved Nutrient Management Plans (in thousands)	475	490	495	500	505	510	510
Nutrient management plans approved	643	640	600	600	600	600	600
Nutrient Balance Sheets approved	475	500	515	515	515	515	515
Number of farm acres covered by approved Nutrient Balance Sheets (in thousands)	65	67	67	68	68	68	68

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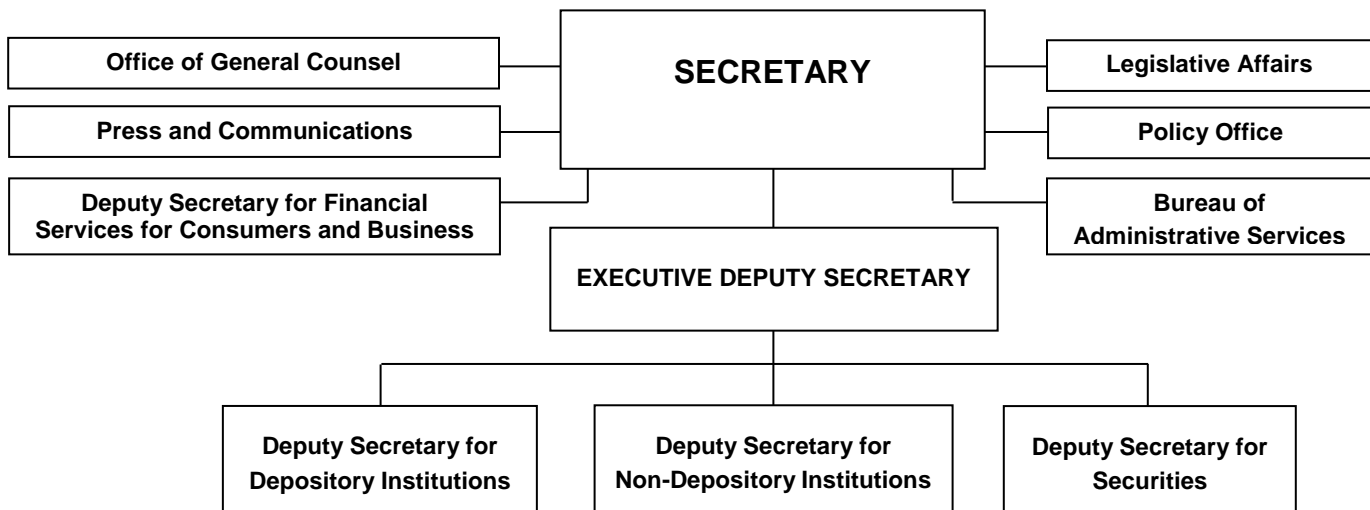
DEPARTMENT OF BANKING AND SECURITIES

The mission of the Department of Banking and Securities is to regulate financial services and work to ensure consumers and businesses are well-informed about the marketplace.

Programs and Goals

Financial Services Industry Regulation: *To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.*

Organization Overview



- **Deputy Secretary for Depository Institutions** oversees the safety and soundness of examinations conducted on more than 200 Pennsylvania state-chartered banks, credit unions, and non-depository trust companies. The deputy oversees the Bureau of Commercial Institutions, the Bureau of Risk Management, IT Examinations and Applications, the Trusts Office, and the Credit Unions Office.
- **Deputy Secretary for Non-Depository Institutions** oversees the licensing, examination, and compliance functions for over 18,000 non-bank financial services institutions and professionals doing business in Pennsylvania. These companies include residential mortgage lenders and brokers, check cashers, auto sales finance companies, pawnbrokers, debt management companies, debt settlement companies, and money transmitters. The deputy oversees the Licensing Office, the Bureau of Non-Depository Examination and the Compliance Office
- **Deputy Secretary for Securities** oversees the licensing/registration, examination, and compliance functions for over 200,000 securities entities conducting business in Pennsylvania. These entities include broker-dealers, broker-dealer agents, investment advisers, investment adviser representatives, and investment adviser notice filers. The deputy oversees the Chief Accountant Office, the Corporation Finance Office and the Bureau of Securities Licensing, Compliance and Examinations.
- **Deputy Secretary for Financial Services for Consumers and Business** oversees the Consumers Services Office and Investor Education and Consumer Outreach Office. The deputy enhances existing efforts by providing a strategic approach on consumer financial education, protection and outreach. The ultimate goal for this newly created deputate is to promote market transparency and effective services for consumers.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
275	280	251	243	234

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>OTHER FUNDS:</u>			
BANKING FUND:			
General Government Operations.....	\$ 21,330	\$ 23,178	\$ 23,235
Transfer to Institution Resolution Account (EA).....	3,000	2,000	2,000
BANKING FUND TOTAL.....	\$ 24,330	\$ 25,178	\$ 25,235
<u>GENERAL FUND:</u>			
General Government:			
(R)Securities Operations.....	\$ 7,916	\$ 8,005	\$ 8,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
RESTRICTED.....	7,916	8,005	8,500
OTHER FUNDS.....	24,330	25,178	25,235
TOTAL ALL FUNDS.....	\$ 32,246	\$ 33,183	\$ 33,735

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
FINANCIAL SERVICES INDUSTRY							
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.....	32,246	33,183	33,735	34,052	34,373	34,697	35,024
SUBCATEGORY TOTAL.....	<u>\$ 32,246</u>	<u>\$ 33,183</u>	<u>\$ 33,735</u>	<u>\$ 34,052</u>	<u>\$ 34,373</u>	<u>\$ 34,697</u>	<u>\$ 35,024</u>
ALL PROGRAMS:							
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.....	32,246	33,183	33,735	34,052	34,373	34,697	35,024
DEPARTMENT TOTAL.....	<u><u>\$ 32,246</u></u>	<u><u>\$ 33,183</u></u>	<u><u>\$ 33,735</u></u>	<u><u>\$ 34,052</u></u>	<u><u>\$ 34,373</u></u>	<u><u>\$ 34,697</u></u>	<u><u>\$ 35,024</u></u>

Program: Financial Services Industry Regulation

Goal: To ensure the maintenance of an economically sound and competitive system of state-chartered financial institutions, to protect consumers in the financial marketplace and to protect investors engaged in securities transactions.

The Department of Banking and Securities fosters a strong economy for Pennsylvania by ensuring the safety and soundness of financial institutions, encouraging capital formation, regulating financial services providers, and protecting consumers and investors.

This program regulates financial services and works to ensure consumers and businesses are well-informed about the marketplace. The program achieves these goals through regulatory, registration, licensing and enforcement policies and practices, including the examination of the records, filings, accounts, policies and practices of financial services institutions and professionals.

The department oversees state-chartered banks, bank and trust companies, trust companies, bank holding

companies, savings banks, credit unions, consumer discount companies, sales finance companies, installment sellers, money transmitters, collector-repossessors, pawnbrokers, and check cashers. The department also oversees debt management companies, debt settlement 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 received and responded to more than 5,875 consumer inquiries during the 2014-15 fiscal year. As of June 30, 2015 the department provided regulation and oversight for the following:

Financial Institutions		Non-Depository Licensees		Securities Industry	
Credit unions	55	Mortgage originators	12,330	Securities agents	192,162
Commercial banks	51	Installment sellers	2,941	Investment adviser representatives	19,244
Savings banks	48	Mortgage lenders	1,751	Investment adviser and notice filers	3,121
Bank and trust companies	41	Sales finance companies	984	Broker-dealers	2,116
Non-depository trust companies	16	Check cashers	831	Total Securities Industry Regulation	216,643
Private banks	1	Mortgage brokers	443		
Total Financial Institutions	212	Debt management services	213		
		Mortgage discount companies	163		
		Other licensees	719		
		Total Non-Depository Licensees	20,375		

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

BANKING FUND
General Government Operations
 \$ 57 —to continue current program.

In addition, \$8,500,000 for Securities Operations is provided for securities regulation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
BANKING FUND:							
General Government Operations	\$ 21,330	\$ 23,178	\$ 23,235	\$ 23,467	\$ 23,702	\$ 23,939	\$ 24,178
Transfer to Institution Resolution Account (EA)	3,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL BANKING FUND	\$ 24,330	\$ 25,178	\$ 25,235	\$ 25,467	\$ 25,702	\$ 25,939	\$ 26,178

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Financial Services Industry Regulation							
Objective: Conduct and complete independent depository examinations in a timely manner.							
Average number of days for turnaround of independent depository institution examinations	31	30	30	30	30	30	30
Objective: Examine non-depository licensees on an annual basis.							
Percentage of all non-depository licensees examined	22.30%	20%	20%	20%	20%	20%	20%
Objective: Respond to consumer complaints in a timely and fair manner.							
Average number of days to respond to consumer complaints	6.50	10	10	10	10	10	10
Objective: Increase the number of Securities compliance examinations conducted.							
Securities compliance examinations conducted	35	60	80	90	110	120	130
Objective: Process Securities notice, registration and exemption filings promptly.							
Securities notice filings received and docketed	6,877	6,500	6,500	6,500	6,500	6,500	6,500
Objective: Work proactively to educate, protect and provide financial services outreach to consumers and businesses.							
Number of investor education, financial education and outreach events held	N/A	300	300	300	300	300	300



CIVIL SERVICE COMMISSION

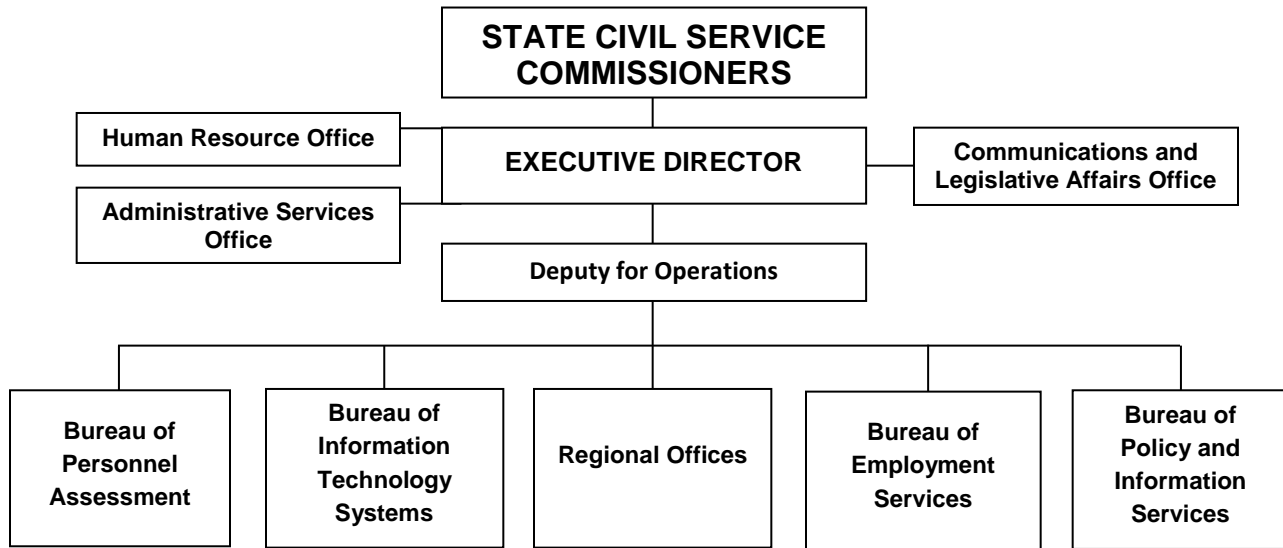
The mission of the Civil Service Commission is to attract qualified individuals and verifying that they are appointed and promoted on the basis of merit.

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; certification of eligible candidates to the appointing agencies; and processing appeals and conducting hearings resulting from adverse human resource actions.

Programs and Goals

Personnel Selection: *To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.*

Organization Overview



- **Director of the Bureau of Personnel Assessment** is responsible for the Test Administration Division, Test Development Division and the Research Division.
- **Director of the Bureau of Information Technology Systems** is responsible for the Network Enterprise and Technical Support Division, Enterprise Governance and Program Management Division and the Application Development Division.
- **Regional Offices** include the Eastern Regional Office in Philadelphia and the Western Regional Office in Pittsburgh.
- **Director of the Bureau of Employment Services** is responsible for the Recruitment and Workforce Diversity Division and the Counseling and Testing Division.
- **Director of the Bureau of Policy and Information Services** is responsible for the Policy Assistance and Audit Division, Veterans' Preference and Certification Division and the Investigations and Information Services Division.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
140	137	131	121	108

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1	\$ 1	\$ 1
(A) Fees From Agencies.....	12,768	13,283	13,611
(A) Special Merit System Services.....	815	848	869
Subtotal - State Funds.....	\$ 1	\$ 1	\$ 1
Subtotal - Augmentations.....	13,583	14,131	14,480
Total - General Government.....	<u>\$ 13,584</u>	<u>\$ 14,132</u>	<u>\$ 14,481</u>
STATE FUNDS.....	\$ 1	\$ 1	\$ 1
AUGMENTATIONS.....	13,583	14,131	14,480
GENERAL FUND TOTAL.....	<u>\$ 13,584</u>	<u>\$ 14,132</u>	<u>\$ 14,481</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PERSONNEL SELECTION							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,583	14,131	14,480	14,625	14,771	14,919	15,068
SUBCATEGORY TOTAL.....	<u>\$ 13,584</u>	<u>\$ 14,132</u>	<u>\$ 14,481</u>	<u>\$ 14,626</u>	<u>\$ 14,772</u>	<u>\$ 14,920</u>	<u>\$ 15,069</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,583	14,131	14,480	14,625	14,771	14,919	15,068
DEPARTMENT TOTAL.....	<u><u>\$ 13,584</u></u>	<u><u>\$ 14,132</u></u>	<u><u>\$ 14,481</u></u>	<u><u>\$ 14,626</u></u>	<u><u>\$ 14,772</u></u>	<u><u>\$ 14,920</u></u>	<u><u>\$ 15,069</u></u>

Program: Personnel Selection

Goal: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission ensures the commonwealth's merit system is in full compliance with all state laws and regulations concerning employee selection procedures and the Federal Uniform Guidelines on Employee Selection Procedures. This includes job analysis and implementation of a program to identify and correct adverse impacts of examinations on protected groups.

Goals of the commission include development of valid evaluations; identification and elimination of discrimination in merit-system-covered human resource systems; increased efficiency in meeting personnel needs of state and local client agencies; and prompt and accurate resolution or adjudication of complaints, grievances and appeals.

In recent years, the commission has improved operations through the implementation of computerized

application, applicant self-scheduling, examination and imaging and workflow systems. These improvements have reduced the time required to apply for and take an exam, receive an examination score and be placed on a candidate eligibility listing. These enhancements have increased the commission's ability to provide real-time candidate eligibility listings to client agencies seeking to fill vacancies.

During 2014-15, 146,000 candidates scheduled examinations, 72,000 candidates took computerized examinations and 152,000 eligible candidates were included on employment and promotion lists. Also, 12,000 certifications of eligible individuals for merit service jobs were audited. The commission conducts investigations, holds public hearings, renders decisions on appeals and records its findings. Nearly 400 appeal requests are received and processed annually.

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
\$ 349 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Personnel Selection

Objective: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

Persons taking computerized exams	71,950	72,000	72,000	72,000	72,000	72,000	72,000
Appeal requests received and processed	357	360	360	360	360	360	360
Annual cost of merit system per covered employee	\$208	\$229	\$229	\$229	\$229	\$229	\$229



DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The mission of the Department of Community and Economic Development is to foster opportunities for businesses to grow and for communities to succeed and thrive in a global economy. The department strives to improve the quality of life for Pennsylvania citizens while assuring transparency and accountability in the expenditure of public funds.

Programs and Goals

PA Job Creation, Business Growth and Attraction: *To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.*

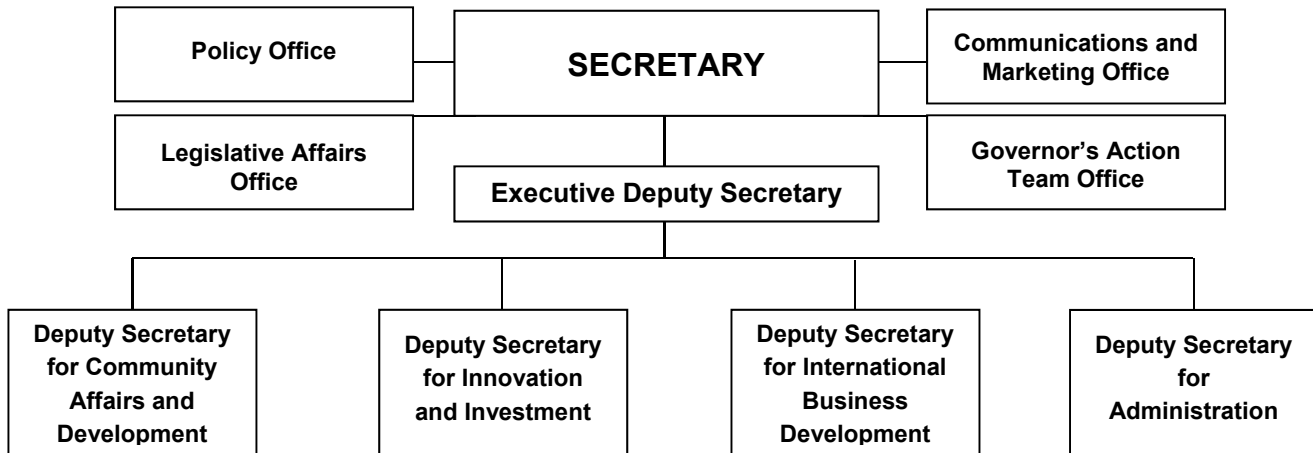
PA Innovation Economy: *To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.*

International Business Development: *To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.*

PA Assets: *To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.*

PA Core Communities: *To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.*

Organization Overview



- **Deputy Secretary for Community Affairs and Development** oversees the Center for Community Financing, the Center for Community Services, the State Tax Equalization Board, the Governor's Center for Local Government Services and the Community Action Team.
- **Deputy Secretary for Innovation and Investment** leads the commonwealth's efforts to create family-sustaining jobs through advancing technology and innovation, supporting business growth and bolstering Pennsylvania's robust tourism industry.
- **Deputy Secretary for International Business Development** leads a professional team of international economic development specialists that contribute to the growth and strength of the commonwealth's economy by attracting foreign investment to the state and providing value-added international trade services to Pennsylvania's businesses and ports.
- **Deputy Secretary for Administration** is responsible for all Human Resources, Information Technology, Financial Management, Customer and Administrative Services for the department.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
320	309	315	307	302

Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 14,422	\$ 14,937^a	\$ 15,689
(F)ARC - Technical Assistance.....	225	225	225
(F)DOE - Weatherization Administration.....	800	1,300	1,300
(F)SCDBG - Administration.....	1,680	4,000	4,000
(F)SCDBG - Neighborhood Stabilization Administration.....	800	800	800
(F)CSBG - Administration.....	1,507	1,607	1,607
(F)LIHEABG - Administration.....	1,000	1,500	1,500
(F)State Small Business Credit Initiative Administration.....	487	487	487
(F)Americorps Training and Technical Assistance.....	75	0	0
(F)EMG Solutions Administration.....	600	1,000	1,000
(F)EDA - Emergency Management.....	450	450	0
(F)Economic Adjustment Assistance.....	5,000	5,000	5,000
(F)SCDBG - Disaster Recovery Administration.....	1,000	1,500	1,500
(F)Emergency Shelter for the Homeless.....	0	0	2,000
(F)SCDBG - HUD Disaster Recovery.....	2,000	2,000	2,000
(F)ARRA - Broadband Technology Opportunity Administration (EA).....	150	0	0
(F)ARRA - Broadband Technology Opportunities (EA).....	1,300	0	0
(A)Pennsylvania Industrial Development Authority.....	828	1,170	1,050
(A)Pennsylvania Economic Development Financing Authority.....	501	500	508
(A)Community Development Bank.....	54	54	57
(A)Commonwealth Financing Authority.....	3,161	3,276	3,170
(A)Local Match.....	99	75	75
(A)Transfer Between Governments.....	2	40	40
(R)Small Business Advocate - Utilities.....	1,163	1,306	1,306
Center for Local Government Services.....	8,534	8,394	4,185
(F)State Energy Program.....	180	120	120
(A)Local Government Training.....	878	1,000	1,000
(A)State Planning Board Expense.....	1	0	0
Office of Open Records.....	2,002	2,426	2,916
Office of International Business Development.....	5,824^b	6,825^c	6,942
(F)SBA State Trade and Export Promotion (STEP).....	2,000	950	950
(F)Mining Equipment Export Expansion Initiative.....	100	0	0
(F)EDA - Expanding Exports.....	1,000	0	0
Marketing to Attract Tourists.....	7,264	4,264	4,291
(A)Reimbursement for Travel Advertisements.....	60	60	60
(A)Film Tax Credit App.....	105	50	50
Marketing to Attract Business.....	2,008	2,949^d	3,014
(A)Reimbursement for Services.....	300	0	0
Base Realignment and Closure.....	0	784^e	798
Regional Events Security and Support.....	0	10,000^f	10,000
Subtotal - State Funds.....	\$ 40,054	\$ 50,579	\$ 47,835
Subtotal - Federal Funds.....	20,354	20,939	22,489
Subtotal - Augmentations.....	5,989	6,225	6,010
Subtotal - Restricted Revenues.....	1,163	1,306	1,306
Total - General Government.....	\$ 67,560	\$ 79,049	\$ 77,640
Grants and Subsidies:			
Transfer to Municipalities Financial Recovery Revolving Fund.....	\$ 4,000	\$ 3,000	\$ 4,000
Transfer to Ben Franklin Tech. Development Authority Fund.....	14,500	14,500	14,500
Transfer to Commonwealth Financing Authority.....	77,755	88,812	95,614
(A)Transfer From the Department of Environmental Protection.....	8,673	6,810	0
Intergovernmental Cooperation Authority-2nd Class Cities.....	250	250	250
Pennsylvania First.....	20,000	34,000^g	45,000
(A)Interagency Reimbursement.....	5,000	0	0
Municipal Assistance Program.....	642	642	642
(F)FEMA Technical Assistance.....	350	350	350
(F)FEMA - Mapping.....	100	100	100
Keystone Communities.....	6,150	15,000^h	15,000
(F)DOE - Weatherization.....	12,000	18,000	18,000

Community and Economic Development

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(F)LIHEABG - Weatherization Program.....	40,000	48,000	48,000
(F)SCDBG - Neighborhood Stabilization Program.....	17,000	17,000	17,000
(F)Assets for Independence.....	500	500	500
(F)EMG Solutions Program.....	8,000	12,000	12,000
(F)SCDBG - Disaster Recovery Grant.....	56,000	56,000	56,000
(F)Community Services Block Grant.....	29,500	40,000	50,000
(F)Centralia Recovery (EA).....	430	0	0
Partnerships for Regional Economic Performance.....	11,880	9,880ⁱ	9,880
(F)State Small Business Credit Initiative.....	20,000	20,000	20,000
Discovered in PA, Developed in PA.....	5,000	0	0
Industrial Resource Centers.....	0	11,000^j	12,000
Tourism - Accredited Zoos.....	550	0	0
Economic Growth & Development Assistance.....	0	6,357^k	6,357
Rural Leadership Training.....	100	0	0
Super Computer Center.....	500	0	0
Infrastructure Technology Assistance Program.....	1,750	0	0
Early Intervention for Distressed Municipalities.....	1,785	1,785	2,785
Powdered Metals.....	100	0	0
Infrastructure and Facilities Improvement Grants.....	19,000	30,000^l	30,000
Public Television Technology.....	0	3,600^m	4,000
Subtotal - State Funds.....	\$ 163,962	\$ 218,826	\$ 240,028
Subtotal - Federal Funds.....	183,880	211,950	221,950
Subtotal - Augmentations.....	13,673	6,810	0
Total - Grants and Subsidies.....	\$ 361,515	\$ 437,586	\$ 461,978
STATE FUNDS.....	\$ 204,016	\$ 269,405	\$ 287,863
FEDERAL FUNDS.....	204,234	232,889	244,439
AUGMENTATIONS.....	19,662	13,035	6,010
RESTRICTED REVENUES.....	1,163	1,306	1,306
GENERAL FUND TOTAL.....	\$ 429,075	\$ 516,635	\$ 539,618
MOTOR LICENSE FUND:			
General Government:			
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 1,073
OTHER FUNDS:			
GENERAL FUND:			
Industrial Sites Environmental Assessment Fund.....	\$ 767	\$ 3,000	\$ 3,000
Industrialized Housing.....	518	525	600
GENERAL FUND TOTAL.....	\$ 1,285	\$ 3,525	\$ 3,600
BEN FRANKLIN TECHNOLOGY DEVELOPMENT AUTHORITY FUND:			
Ben Franklin Technology.....	\$ 19,000	\$ 19,000	\$ 19,000
BROADBAND OUTREACH AND AGGREGATION FUND:			
Broadband Outreach Administration (EA).....	\$ 90	\$ 201	\$ 0
Broadband Outreach Grants (EA).....	3,259	3,633	0
BROADBAND OUTREACH AND AGGREGATION FUND TOTAL.....	\$ 3,349	\$ 3,834	\$ 0
HOME INVESTMENT TRUST FUND:			
HOME Investment Partnership.....	\$ 1,486	\$ 0	\$ 0
Affordable Housing Act Administration (F).....	0	3,000	3,000
HOME INVESTMENT TRUST FUND TOTAL.....	\$ 1,486	\$ 3,000	\$ 3,000

Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration (EA).....	\$ 314	\$ 314	\$ 314
Industrial Sites Cleanup - Projects (EA).....	6,300	5,300	5,300
INDUSTRIAL SITES CLEANUP FUND TOTAL.....	\$ 6,614	\$ 5,614	\$ 5,614
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans (EA).....	\$ 1,000	\$ 1,000	\$ 1,000
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations (EA).....	\$ 778	\$ 778	\$ 778
Machinery and Equipment Loans (EA).....	25,000	11,000	11,000
Transfer to the General Fund.....	85,000	0	0
MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....	\$ 110,778	\$ 11,778	\$ 11,778
MARCELLUS LEGACY FUND:			
Energy Development Projects.....	\$ 7,694	\$ 0	\$ 0
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations (EA).....	\$ 302	\$ 330	\$ 330
Minority Business Development Loans (EA).....	1,000	1,000	1,000
MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....	\$ 1,302	\$ 1,330	\$ 1,330
MUNICIPALITIES FINANCIAL RECOVERY REVOLVING AID FUND:			
Distressed Community Assistance (EA).....	\$ 9,000	\$ 9,000	\$ 9,000
SMALL BUSINESS FIRST FUND:			
Administration (EA).....	\$ 1,958	\$ 1,958	\$ 1,958
Loans (EA).....	17,000	20,000	10,042
Pollution Prevention Loans (EA).....	1,500	0	0
Community Economic Development Loans (EA).....	3,000	3,000	3,000
Transfer to the General Fund.....	95,000	0	0
SMALL BUSINESS FIRST FUND TOTAL.....	\$ 118,458	\$ 24,958	\$ 15,000
TOBACCO SETTLEMENT FUND:			
Tobacco Settlement Investment Board.....	\$ 217 ^a	\$ 0	\$ 0
Life Sciences Greenhouses.....	3,000	3,000	3,000
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 3,217	\$ 3,000	\$ 3,000
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Small Business Advocate - Workers' Compensation (R).....	\$ 194	\$ 194	\$ 194
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 204,016	\$ 269,405	\$ 287,863
SPECIAL FUNDS.....	1,073	1,073	1,073
FEDERAL FUNDS.....	204,234	232,889	244,439
AUGMENTATIONS.....	19,662	13,035	6,010
RESTRICTED.....	1,163	1,306	1,306
OTHER FUNDS.....	283,377	86,233	72,516
TOTAL ALL FUNDS.....	\$ 713,525	\$ 603,941	\$ 613,207

^a Includes recommended supplemental appropriation of \$550,000.

^b Appropriated as World Trade PA.

^c Appropriated as World Trade PA and includes recommended supplemental appropriation of \$996,000.

^d Includes recommended supplemental appropriation of \$944,000.

^e Includes recommended supplemental appropriation of \$784,000.

^f Includes recommended supplemental appropriation of \$5,000,000.

Summary by Fund and Appropriation

^g Includes recommended supplemental appropriation of \$14,000,000.

^h Includes recommended supplemental appropriation of \$8,650,000.

ⁱ Reflects recommended appropriation reduction of \$2,000,000.

^j Includes recommended supplemental appropriation of \$11,000,000.

^k Includes recommended supplemental appropriation of \$6,357,000.

^l Includes recommended supplemental appropriation of \$11,000,000.

^m Includes recommended supplemental appropriation of \$3,600,000.

ⁿ Elimination of the Tobacco Settlement Investment Board effective January 2015.

Homeowner Assistance Settlement Fund and Housing Affordability and Rehabilitation Enhancement Fund shown in Housing Finance Agency.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PA JOB CREATION, BUSINESS GROWTH AND ATTRACTION							
GENERAL FUND.....	\$ 157,351	\$ 203,182	\$ 219,096	\$ 219,362	\$ 219,639	\$ 219,903	\$ 220,183
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	35,074	37,869	37,419	37,419	37,419	37,419	37,419
OTHER FUNDS.....	258,773	61,105	44,122	44,122	44,122	44,122	44,122
SUBCATEGORY TOTAL.....	\$ 451,198	\$ 302,156	\$ 300,637	\$ 300,903	\$ 301,180	\$ 301,444	\$ 301,724
PA INNOVATION ECONOMY							
GENERAL FUND.....	\$ 20,100	\$ 18,100	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	33,260	25,834	22,000	22,000	22,000	22,000	22,000
SUBCATEGORY TOTAL.....	\$ 53,360	\$ 43,934	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500	\$ 40,500
INTERNATIONAL BUSINESS DEVELOPMENT							
GENERAL FUND.....	\$ 5,824	\$ 6,825	\$ 6,942	\$ 7,011	\$ 7,082	\$ 7,152	\$ 7,224
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,100	950	950	950	950	950	950
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 8,924	\$ 7,775	\$ 7,892	\$ 7,961	\$ 8,032	\$ 8,102	\$ 8,174
PA ASSETS							
GENERAL FUND.....	\$ 7,814	\$ 4,264	\$ 4,291	\$ 4,334	\$ 4,377	\$ 4,421	\$ 4,465
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	165	110	110	110	110	110	110
SUBCATEGORY TOTAL.....	\$ 7,979	\$ 4,374	\$ 4,401	\$ 4,444	\$ 4,487	\$ 4,531	\$ 4,575
PA CORE COMMUNITIES							
GENERAL FUND.....	\$ 12,927	\$ 37,034	\$ 39,034	\$ 39,034	\$ 39,034	\$ 39,034	\$ 39,034
SPECIAL FUNDS.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
FEDERAL FUNDS.....	166,060	194,070	206,070	206,070	206,070	206,070	206,070
OTHER FUNDS.....	12,004	13,525	13,600	13,600	13,600	13,600	13,600
SUBCATEGORY TOTAL.....	\$ 192,064	\$ 245,702	\$ 259,777	\$ 259,777	\$ 259,777	\$ 259,777	\$ 259,777
ALL PROGRAMS:							
GENERAL FUND.....	\$ 204,016	\$ 269,405	\$ 287,863	\$ 288,241	\$ 288,632	\$ 289,010	\$ 289,406
SPECIAL FUNDS.....	1,073	1,073	1,073	1,073	1,073	1,073	1,073
FEDERAL FUNDS.....	204,234	232,889	244,439	244,439	244,439	244,439	244,439
OTHER FUNDS.....	304,202	100,574	79,832	79,832	79,832	79,832	79,832
DEPARTMENT TOTAL.....	\$ 713,525	\$ 603,941	\$ 613,207	\$ 613,585	\$ 613,976	\$ 614,354	\$ 614,750

Program: PA Job Creation, Business Growth and Attraction

Goal: To support and promote initiatives that grow Pennsylvania's economy by partnering with the private sector to create and retain jobs; to ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle; and to make possible lower capital costs to attract businesses to invest in Pennsylvania.

Program Element: PA First

PA First is a comprehensive program that offers grants for job creation and retention, infrastructure projects and workforce development. PA First provides the flexibility necessary for the commonwealth to rapidly respond to companies' needs, thus facilitating increased investment in the state and enabling Pennsylvania to compete more effectively with neighboring and competitor states.

PA First leverages private dollars, stimulates job creation and encourages development of critical infrastructure and advances workforce development efforts. It secures job creation and economic development opportunities through the preservation and expansion of existing industries and the attraction of additional economic development prospects to the commonwealth. Eligible uses for the grant funding can be found by visiting the agency website NewPa.com.

Program Element: Infrastructure and Facilities Improvement Program

The Infrastructure and Facilities Improvement Program 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.

Program Element: Economic Development Service Providers

Historically, Pennsylvania's economic development efforts have been supported by a number of core service providers, including Industrial Resource Centers, industrial development organizations, Local Development Districts, and Small Business Development Centers. Partnerships for Regional Economic Performance, known as PREP, is designed to integrate these networks by encouraging regional coordination of economic development efforts, which will yield superior customer service to the business community and a comprehensive, efficient, statewide economic development delivery strategy.

Pennsylvania's seven Industrial Resource Centers (IRCs) provide manufacturers with the technical resources

needed to capitalize on market opportunities and support our nation's supply chain. The IRCs provide services directly to manufacturers to foster technological modernization and improvement, focusing on the transfer of knowledge to stimulate learning and action. This budget supports a collaborative partnership between the seven Industrial Resource Centers and Pennsylvania's seven research institutions of higher education. This new partnership promises to increase manufacturing output while creating new jobs by accelerating the reshoring of manufacturing within Pennsylvania and creating localized supply chains and to stimulate manufacturing innovation and growth. The effort also promises to build a manufacturing ready workforce through facilitated employer engagement with all of Pennsylvania's educational institutions, their faculty, and Pennsylvania's younger generation.

Program Element: Marketing to Attract Business

Pennsylvania's key strengths must be regularly and effectively communicated to the national and global business community. Pennsylvania's Marketing to Attract Business program funds the department's economic development marketing and advertising contract, which includes public relations, radio and television advertising, industry trade shows and direct support of the department and the Governor's Action Team for one-to-one marketing efforts. The Governor's Action Team and the department's International Office depend on company leads generated by marketing to prepare deals to attract companies to Pennsylvania.

Program Element: Tax Credits

Tax credits are established for the purpose of securing job-creating economic development opportunities and fostering the growth and development of economic development prospects to the commonwealth. Information on credit programs such as Neighborhood Assistance Programs, Job Creation Tax Credit, Keystone Opportunity Zone, Film Production Tax Credit and other programs can be found in the General Fund Tax Expenditures section of the Governor's Executive Budget.

Community and Economic Development

Program: PA Job Creation, Business Growth and Attraction (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND					
General Government Operations					Marketing to Attract Business
\$ 452	—to continue current program.		\$ 65		—to continue current program.
300	—Initiative — Tax Collector Certification. To provide training and certify Pennsylvania Qualified Municipal Collectors.				Base Realignment and Closure
			\$ 14		—to continue current program.
<u>\$ 752</u>	<i>Appropriation Increase</i>				Transfer to Commonwealth Financing Authority
					—to provide debt service for economic development bonds.
	Center for Local Government Services		\$ 6,802		
\$ 295	—to continue current program.				Pennsylvania First
—4,504	—grant transferred to the Department of General Services.				—Initiative — Jobs that Pay. To foster investment, job creation and provide support for WEDnetPA, a critical employee training program available to Pennsylvania's employers.
<u>\$ —4,209</u>	<i>Appropriation Decrease</i>		\$ 11,000		
	Office of Open Records				Industrial Resource Centers
\$ 48	—to continue current program.				—Initiative — Jobs that Pay. To increase support for Industrial Resource Centers and to utilize Pennsylvania universities to advance manufacturing technology and commercialization.
442	—Initiative — Government that Works. Increase mediation efforts and expand training and outreach.				
<u>\$ 490</u>	<i>Appropriation Increase</i>		\$ 1,000		

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 14,422	\$ 14,937	\$ 15,689	\$ 15,846	\$ 16,004	\$ 16,164	\$ 16,326
Center for Local Government Services	8,534	8,394	4,185	4,227	4,269	4,312	4,355
Office of Open Records	2,002	2,426	2,916	2,945	2,975	3,004	3,034
Marketing to Attract Business	2,008	2,949	3,014	3,044	3,075	3,105	3,136
Base Realignment and Closure	0	784	798	806	814	822	830
Transfer to Commonwealth Financing Authority	77,755	88,812	95,614	95,614	95,622	95,616	95,622
Pennsylvania First	20,000	34,000	45,000	45,000	45,000	45,000	45,000
Partnerships for Regional Economic Performance	11,880	9,880	9,880	9,880	9,880	9,880	9,880
Industrial Resource Centers	0	11,000	12,000	12,000	12,000	12,000	12,000
Infrastructure Technology Assistance Program	1,750	0	0	0	0	0	0
Infrastructure and Facilities Improvement Grants	19,000	30,000	30,000	30,000	30,000	30,000	30,000
TOTAL GENERAL FUND	\$ 157,351	\$ 203,182	\$ 219,096	\$ 219,362	\$ 219,639	\$ 219,903	\$ 220,183

Program: PA Innovation Economy

Goal: To catalyze growth and competitiveness for Pennsylvania companies and universities by growing venture capital investments to support early stage and emerging technology firms; accelerating technology transfer to commercialize new products and services; and revitalizing Pennsylvania's manufacturing economy.

In 2016-17, and in each year thereafter, DCED investments are projected to leverage \$700 million in private investments, over \$100 million in non-state public funds, and assist over 3,000 businesses.

Program Element: Ben Franklin Technology Development Authority

The Ben Franklin Technology Development Authority ensures that Pennsylvania companies and entrepreneurs have the necessary tools to build their businesses. The authority has promoted advanced technology in traditional and emerging industries, as well as small business, through a series of programs that are flexible and dynamic and are built to proactively meet changes in markets and key industry sectors. These initiatives are also tailored to meet companies' needs throughout the business lifecycle, providing support and making services available at each step of the process.

The authority also provides vehicles for investment for university-based and entrepreneurial innovation through the following programs:

- Ben Franklin Technology Partners, which are strategically located throughout the commonwealth to bring together the best of the state's people, ideas and technology.
- Venture Investment, which provides risk capital to venture partnerships that invest in Pennsylvania companies.
- Technology Development Grants, which help position the consortia of Pennsylvania companies at the cutting edge of emerging technologies.
- University Research Commercialization Grants, which promote stronger synergy between university-based research and development and technology transfer for economic and workforce development.

Program Element: Innovate PA

Innovate in PA is designed to generate a critical pool of capital to support Pennsylvania's ever growing and robust innovation economy. Through the sale of \$100 million of insurance premium tax credits, the Ben Franklin Technology Development Authority is scheduled to receive a total of six payments totaling \$85.4 million over three fiscal years, starting in 2015-16. Payments flow directly to the Ben Franklin Technology Development Authority for rapid deployment to the four regional Ben Franklin Technology Partners and the three Life Sciences Greenhouses. The Ben Franklin Technology Development Authority Venture Investment Program is also a recipient of funds, awarded to qualified venture capital firms who invest in Pennsylvania companies.

Program Element: The Pennsylvania Life Sciences Greenhouse Initiative

The Pennsylvania Life Sciences Greenhouse Initiative supports early-stage risk capital and serves as a catalyst for development and creation of new life-science-related products and companies. Three regionally based organizations in Central Pennsylvania, Pittsburgh and Philadelphia aggressively focus on increasing formation and growth of life sciences companies in the commonwealth.

Over the course of the past decade, this initiative has established a national reputation and is cited by the Battelle Technology Partnership as one of only two university/industry funding programs in the U.S. to focus solely on life sciences. The initiative has quickly become a national model for state funding of early stage risk capital in life sciences.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND	
Public Television Technology	
\$	400
—Initiative—PA Public Television Network. To increase support for technology to educate, inform and connect the citizens of Pennsylvania.	

The Transfer to Ben Franklin Technology Development Authority Fund is recommended at the current year funding level.

Community and Economic Development

Program: PA Innovation Economy (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
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.....	5,000	0	0	0	0	0	0
Super Computer Center	500	0	0	0	0	0	0
Powdered Metals.....	100	0	0	0	0	0	0
Public Television Technology.....	0	3,600	4,000	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND.....	\$ 20,100	\$ 18,100	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500

Community and Economic Development

Program: International Business Development

Goal: To contribute to the growth and strength of the commonwealth's economy by attracting foreign direct capital investments to Pennsylvania and providing value-added business development services to Pennsylvania companies to facilitate increased exports from the commonwealth.

Program Element: International Business Development

In 2016-17 and each year thereafter, DCED is projected to assist over 1,400 businesses and facilitate over \$240 million in Foreign Direct Investments.

In today's increasingly complex global economy, international trade is not simply a trend, but a competitive necessity. The International Business Development program works to promote Pennsylvania exports in key international markets and to attract foreign investments to Pennsylvania by ensuring that international companies are adequately informed and familiar with Pennsylvania's strengths – leading universities and research institutions; manufacturing, energy and life science industries; competitive business environment; and a skilled workforce.

The department will continue to build on PA's success as the nation's largest and best-performing international

program, and the only department program with a unique, performance-based metrics and compensation system for its international contractors and regional partners. New initiatives include sector-specific, fee-based initiatives and enhanced private sector participation through trade events, missions, and the Team Pennsylvania International Business Advisory Board. By increasing export capacity and establishing new connections between Pennsylvania companies, universities and partners worldwide, Pennsylvania businesses will continue to become more competitive in the global marketplace. At the same time, Pennsylvania communities will become increasingly successful in competing for international investment projects that support existing and new jobs across the commonwealth. This will help Pennsylvania remain a leading state for international business development.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Office of International Business
Development
\$ 117 —to continue current program.

Appropriations within this Program:

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Office of International Business							
Development.....	\$ 5,824	\$ 6,825	\$ 6,942	\$ 7,011	\$ 7,082	\$ 7,152	\$ 7,224

Community and Economic Development

Program: PA Assets

Goal: To ensure economic competitiveness and job creation; to increase domestic and international leisure travel to the commonwealth in order to grow the tourism industry's economic impact and position Pennsylvania as a top tourism destination for both domestic and international visitors; and to maximize Pennsylvania's energy resources, including coal, natural gas, water, oil and timber.

Program Element: Marketing to Attract Tourists

Tourism is a key industry for Pennsylvania, injecting an estimated \$40 billion annually into the commonwealth's economy and generating nearly \$4 billion in tax revenues each year. Pennsylvania has invested in tourism marketing for decades in recognition of the industry's substantial contributions to the state's economy, most notably in jobs the industry provides commonwealth residents and tax revenues the industry generates for the state and local governments, which support a host of essential government programs and services. The Pennsylvania Tourism Office's marketing activities provide exposure to out-of-state markets for the many small Pennsylvania tourism businesses that lack the resources to advertise beyond their local area.

Marketing to Attract Tourists has enabled the commonwealth to provide a domestic and international tourism marketing program that helps to attract more than 175 million travelers annually. The funding supports a comprehensive and effective marketing agenda including the popular visitPA.com website and various print and online publications. The tourism office will encourage public/private partnerships within the industry to maximize Pennsylvania's presence on the national and global travel and tourism stage. The tourism office will also continue

to leverage online marketing platforms including Twitter, Facebook, YouTube, Flickr, Foursquare and Pinterest, among others to provide highly customized, personalized and targeted information directly to travelers in an authentic and real-time medium, extending the reach of the office's traditional marketing efforts.

Program Element: Alternative Energy

The Alternate Energy Investment Act of 2008 was signed into law and is comprised of several components administered in the Departments of Environmental Protection, Human Services and Community and Economic Development. The Commonwealth Financing Authority manages programs and funds administered within the Department of Community and Economic Development's Office for Business Financing. Funding includes grants to businesses, non-profit economic development organizations and political subdivisions for clean and alternative energy projects. These projects include buildings, equipment and land development activities. In addition, loans and grants are provided for high-performance energy-efficient building projects, for geothermal and wind energy projects and for alternative energy production projects involving solar technologies.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:
Marketing to Attract Tourists
\$ 27 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Marketing to Attract Tourists	\$ 7,264	4,264	4,291	4,334	4,377	4,421	4,465
Tourism - Accredited Zoos	550	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 7,814	\$ 4,264	\$ 4,291	\$ 4,334	\$ 4,377	\$ 4,421	\$ 4,465

Program: PA Core Communities

Goal: To attain more effective delivery of housing and community development services; to provide resources and technical assistance that enhance the performance and quality of local governments, including fiscal stability; and to effectively create attractive, livable communities by revitalizing downtowns and surrounding neighborhoods, while promoting sound land-use practices.

Program Element: Keystone Opportunity Zones (KOZ)

The Keystone Opportunity Zone provides tax relief to economically distressed urban and rural communities in an attempt to revive these areas. In recognition of the tremendous success of the original KOZ initiative, several laws have changed the KOZ program over the years, including Keystone Opportunity Improvement Zone, Keystone Opportunity Expansion Zone and Act 16 of 2012, which allowed communities to extend benefits to unoccupied parcels for seven to ten years in existing zones. Additional information can be found in Section D of the Governor's Executive Budget.

Program Element: Keystone Communities

The Keystone Communities program is designed to encourage the creation of partnerships between the public and private sectors in communities to support joint local initiatives that foster growth and stability in neighborhoods and communities, social and economic diversity and a strong and secure quality of life. The program offers designation opportunities and financial resources to assist communities in achieving revitalization goals and provides for physical improvements that support the commonwealth's core communities.

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. In 2016-17, the program is projected to invest in over 40 community impact projects.

Program Element: Municipal Assistance Program

The Municipal Assistance Program was created to help local governments plan for and effectively implement a variety of services, improvements and soundly-managed development. The program provides funding for three groups of activities; shared service activities, community planning and floodplain management. Any municipality may apply for program funding. Applicants may also be a public or

quasi-public body duly authorized to act on behalf of one or more municipalities.

Program Element: Early Intervention Program

In order to assist municipalities experiencing fiscal difficulties, the Early Intervention program provides grants to municipal and county governments to develop and implement a five-year financial management plan and undergo a departmental operational review. The plans supply governments with both short-term and long-term strategies to address fiscal difficulties before they reach a crisis point. The ultimate goal is to avert an Act 47 Municipality Financial Recovery Program filing.

Program Element: Municipalities Financial Recovery Program – Act 47

When local governments are facing potential financial insolvency, the Municipalities Financial Recovery program – Act 47, empowers the department to issue a distress declaration and assist in the recovery through grants and no-interest loans, as well as extensive technical assistance through the preparation and implementation of comprehensive recovery plans. Act 47 also empowers the governor to issue a declaration of fiscal emergency to enable the department to prepare an emergency action plan and to appoint a receiver to prepare a recovery plan to be confirmed by Commonwealth Court.

Program Element: Weatherization Assistance Program

In order to help low-income Pennsylvanians reduce energy costs, the Weatherization Assistance program makes homes more energy efficient, saving money and keeping homes warmer. There are two weatherization funding streams from the federal government; funds from the U.S. Department of Energy support activities such as the installation of insulation, shell repairs and heating system improvements and the U.S. Department of Health and Human Services also support home weatherization efforts in addition to a heating crisis program that operates during the winter in coordination with the Pennsylvania Department of Human Service's Low- Income Home Energy Assistance program.

Community and Economic Development

Program: PA Core Communities (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		GENERAL FUND
		Transfer to Municipalities Financial Recovery Revolving Fund
\$	1,000	—based on current estimates to continue the current program.
		Early Intervention for Distressed Municipalities
\$	1,000	—Initiative — Local Financial Management. To assist municipalities experiencing fiscal difficulties.

MOTOR LICENSE FUND

The Appalachian Regional Commission appropriation is recommended at the current year funding level.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Regional Events Security and Support.....	\$ 0	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Transfer to Municipalities Financial Recovery Revolving Fund.....	4,000	3,000	4,000	4,000	4,000	4,000	4,000
Intergovernmental Cooperation Authority-2nd Class Cities.....	250	250	250	250	250	250	250
Municipal Assistance Program	642	642	642	642	642	642	642
Keystone Communities.....	6,150	15,000	15,000	15,000	15,000	15,000	15,000
Economic Growth & Development Assistance.....	0	6,357	6,357	6,357	6,357	6,357	6,357
Rural Leadership Training	100	0	0	0	0	0	0
Early Intervention for Distressed Municipalities	1,785	1,785	2,785	2,785	2,785	2,785	2,785
TOTAL GENERAL FUND	\$ 12,927	\$ 37,034	\$ 39,034	\$ 39,034	\$ 39,034	\$ 39,034	\$ 39,034
MOTOR LICENSE FUND:							
Appalachian Regional Commission.....	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073	\$ 1,073

Community and Economic Development

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: PA Assets

Objective: Increase domestic and international leisure travel to Pennsylvania to grow the tourism industry's economic impact. Develop a comprehensive strategy to market Pennsylvania as a top location for starting and growing a business.

Tourism Promotion

Tax revenues generated (in thousands)	\$4,187,000	\$4,250,000	\$4,357,000	\$4,465,000	\$4,577,000	\$4,646,000	\$4,715,000
Number of hotel rooms sold (in thousands)	30,245	31,304	32,086	32,888	33,711	34,216	34,729
Travelers' expenditures (in thousands)	\$39,615,000	\$40,611,000	\$41,627,000	\$42,667,000	\$43,734,000	\$44,390,000	\$45,056,000

Program: PA Job Creation, Business Growth and Attraction

Objective: Stimulate business growth and attraction to create "jobs that pay", and develop and maintain a high quality workforce by training Pennsylvania residents.

Number of jobs pledged to be created and retained that pay at least 80% of the average wage in the county in which the jobs are located	40,000	45,000	45,000	50,000	50,000	50,000	50,000
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Business Assistance

Jobs pledged to be created	49,236	50,986	51,329	52,356	52,356	52,356	53,403
Jobs pledged to be retained	121,511	125,829	126,676	129,209	129,209	129,209	131,794
Number of businesses assisted	4,773	4,943	4,976	5,076	5,076	5,076	5,177
Private funds leveraged (in thousands)	\$1,254,725	\$1,299,708	\$1,308,455	\$1,334,624	\$1,334,624	\$1,334,624	\$1,361,317
Public funds leveraged (in thousands)	\$765,955	\$793,414	\$798,754	\$814,729	\$814,729	\$814,729	\$831,023
Pennsylvania residents receiving job training in WEDNet, PREP, PSATS, CSBG	78,715	81,536	82,085	83,726	83,726	83,726	85,401

Objective: Increase the number of successful innovative technology companies in Pennsylvania.

Technology Investment

Technology jobs created	3,014	3,200	3,296	3,362	3,429	3,498	3,568
Jobs retained	4,750	4,000	4,120	4,202	4,286	4,372	4,460
New technology companies established	216	200	216	220	225	229	234

Program: International Business Development

Objective: Increase DCED-Export Sales Facilitated and Foreign Direct Investments (FDI).

International Business Development

Estimated tax revenues generated (in thousands)	\$98,064	\$98,250	\$98,250	\$98,250	\$98,250	\$98,250	\$98,250
Amount of export sales facilitated (in thousands)	\$864,903	\$764,675	\$764,675	\$764,675	\$764,675	\$764,675	\$764,675

Community and Economic Development

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Foreign direct investments (FDI): Projects completed	26	26	26	26	26	26	26

Program: PA Core Communities

Objective: Provide resources and technical assistance that enhance the performance and quality of Pennsylvania's local governments and core communities in order to create attractive, livable communities by promoting sound land use practices.

Early Intervention Program

Local governments assisted	16	18	18	19	20	22	25
Homes weatherized	1,412	2,400	2,400	2,400	2,400	2,400	2,400
Number of persons participating in job training and human services	379,156	389,002	400,678	412,698	425,079	437,831	459,518

Early Intervention Program

Number of designated distressed communities in Act 47	22	20	18	17	16	15	14
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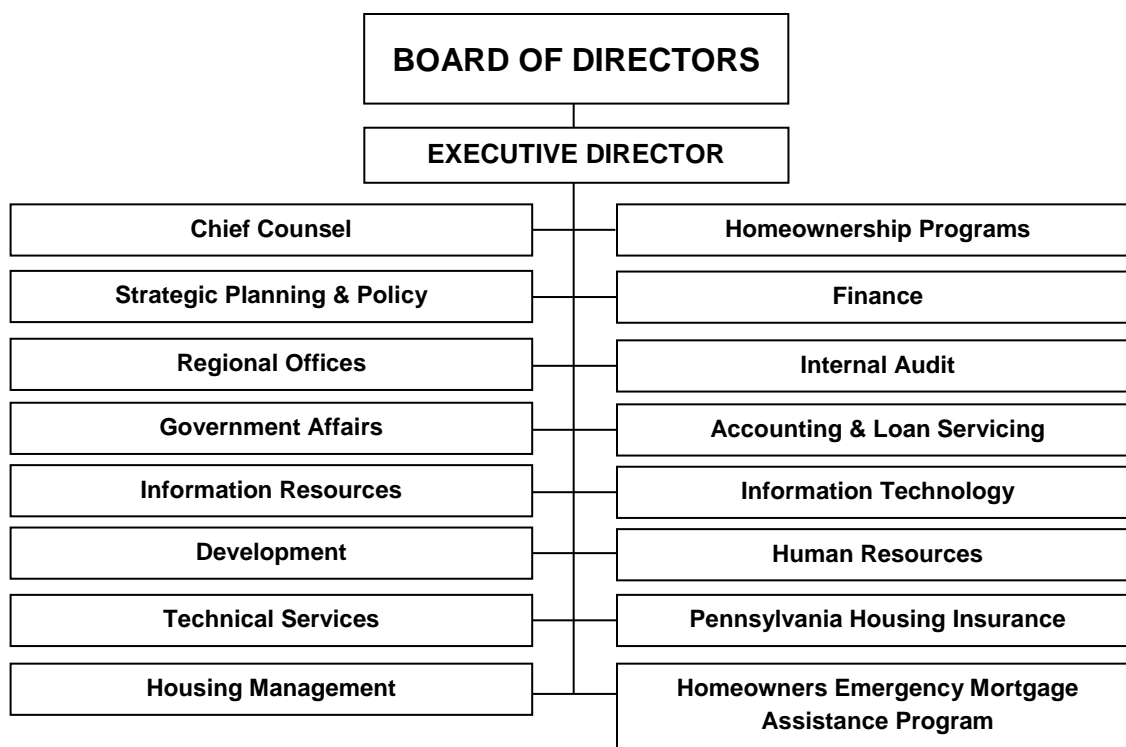
HOUSING FINANCE AGENCY

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental apartment options for senior adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, the agency also promotes economic development across the state.

Programs and Goals

Community Development and Conservation: *To make the commonwealth a better place to live while fostering community and economic development and to provide the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.*

Organization Overview



- **Multifamily Rental Housing Programs Division** oversees the administration of federal, low income housing tax credits that support the construction of affordable rental housing statewide. This division also promotes the provision of housing services to encourage independent living for seniors, people living with disabilities, and families with low to moderate incomes living in PHFA-funded developments.
- **Comprehensive Homeownership Counseling Initiative** trains and certifies organizations to provide homebuyer workshops, pre-settlement, and pre-purchase counseling to prospective homeowners throughout the state. The agency supports a network of 81 counseling organizations statewide to promote affordable opportunities statewide.
- **Homeowners Programs** offer affordable first home loan products in conjunction with assistance loan programs to help new buyers come up with the initial money required to purchase a home.
- **Homeowners Emergency Mortgage Assistance** administers mortgage assistance to homeowners who have recently experienced circumstances beyond their control.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
295	292	294	299	312

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>OTHER FUNDS:</u>			
HOMEOWNER ASSISTANCE SETTLEMENT FUND:			
Homeowner's Emergency Mortgage Assistance.....	\$ 10,800	\$ 10,800	\$ 6,068
HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND:			
Housing Affordability and Rehabilitation Program.....	\$ 18,041	\$ 9,651	\$ 18,401
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	28,841	20,451	24,469
TOTAL ALL FUNDS.....	\$ 28,841	\$ 20,451	\$ 24,469

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
COMMUNITY DEVELOPMENT AND CONSERVATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	28,841	20,451	24,469	30,000	30,000	30,000	30,000
SUBCATEGORY TOTAL.....	<u>\$ 28,841</u>	<u>\$ 20,451</u>	<u>\$ 24,469</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	28,841	20,451	24,469	30,000	30,000	30,000	30,000
DEPARTMENT TOTAL.....	<u><u>\$ 28,841</u></u>	<u><u>\$ 20,451</u></u>	<u><u>\$ 24,469</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ 30,000</u></u>	<u><u>\$ 30,000</u></u>

Program: Community Development and Conservation

Goal: To make the commonwealth a better place to live while fostering community and economic development and to provide the capital for decent, safe, and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs.

Program Element: Homeownership Programs

The Pennsylvania Housing Finance Agency offers a number of opportunities for Pennsylvania families to buy homes of their own. Qualification factors vary among programs and in some cases also vary between counties. All agency homeownership programs are available to persons with disabilities.

The agency also administers the Renovate and Repair Loan Program that provides subordinate funding to homeowners for home improvement and repair.

Program Element: Homeowners' Emergency Mortgage Assistance Program

This program provides short-term, temporary funding to cure loan delinquencies (foreclosure prevention), by making mortgage payments to lenders on behalf of qualifying homeowners for up to 24 to 36 months. Recipients must meet eligibility guidelines defined in the Pennsylvania Emergency Mortgage Act. Repayment of assistance is required.

Program Element: Rental Housing Development

Programs to finance rental housing offer project sponsors construction and/or permanent financing from a wide variety of sources, including: federal HOME dollars, the allocation of housing tax credits and the allocation of a private activity bond cap for qualified residential rental

facilities. Restrictions and application deadlines vary among programs.

Program Element: PENNVEST Homeowner Septic Program

This program provides up to \$25,000 for 20-year, low interest rate loans to homeowners for the repair or upgrade of malfunctioning on-lot septic systems. These loans are insured under the FHA Title I Home Improvement Loan Program.

Program Element: Pennsylvania Housing Affordability and Rehabilitation Enhancement Fund

The Marcellus Shale impact fee legislation, Act 13 of 2012, specifically allocates monies into this fund. The agency administers this fund which was created to address the need for affordable housing in the counties producing nonconventional gas wells.

Act 58 of 2015 dedicates a portion of the increase in revenue from the Realty Transfer Tax (RTT) to this fund. The amount of the transfer is calculated by using the difference between the total dollar amount of the RTT collected for the prior fiscal year and the total amount of RTT estimated for the fiscal year beginning July 1, 2014. The total amount dedicated to this fund is capped at \$25 million annually.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Homeowner's Emergency Mortgage Assistance		Housing Affordability and Rehabilitation Program	
\$	—4,732	\$	13,400
	—complete spending of settlement funds.		—4,650
			<u>8,750</u>
			Appropriation Increase

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
HOMEOWNER ASSISTANCE							
SETTLEMENT FUND:							
Homeowner's Emergency							
Mortgage Assistance.....	\$ 10,800	\$ 10,800	\$ 6,068	\$ 0	\$ 0	\$ 0	\$ 0
HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT FUND:							
Housing Affordability and							
Rehabilitation Program	\$ 18,041	\$ 9,651	\$ 18,401	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Community Development

Objective: Increase the number of homes saved from foreclosure.

Homeowners Emergency Mortgage Assistance Program: Loan disbursements (in millions)	\$10	\$10	\$11	\$12	\$12	\$12	\$12
Homeowners Emergency Mortgage Assistance Program: Repayments (in millions)	\$8	\$8	\$8	\$8	\$8	\$8	\$8
Homeowners Emergency Mortgage Assistance Program: Applications received	4,379	5,000	5,000	5,000	5,000	5,000	5,000
Homeowners Emergency Mortgage Assistance Program: Applications approved	734	800	850	850	850	850	850
Homeowners Emergency Mortgage Assistance Program: Loan payoffs	582	650	670	670	670	670	670
Homeowners Emergency Mortgage Assistance Program: Loans closed	677	725	775	800	830	830	830

Objective: Increase opportunities for Pennsylvanians to buy homes.

Total number of PHFA loans	3,626	4,400	5,000	5,000	5,000	5,000	5,000
HOME Investment Partnerships loans (in millions)	\$473	\$550	\$625	\$700	\$700	\$700	\$700

Objective: Increase educational opportunities to help consumers make informed choices when buying houses and to help homeowners prevent foreclosure.

Number of consumers receiving homeownership counseling	20,525	21,000	22,000	22,000	22,000	22,000	22,000
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Program: HOME Investment Partnerships (Federal Tax Credit Assistance Program)

Objective: Increase the number of affordable rental housing units and preserve existing rental units through innovative, cost-effective and efficient means.

Housing and Redevelopment

Number of affordable rental housing units constructed or preserved	3,103	3,250	3,375	3,375	3,375	3,375	3,375
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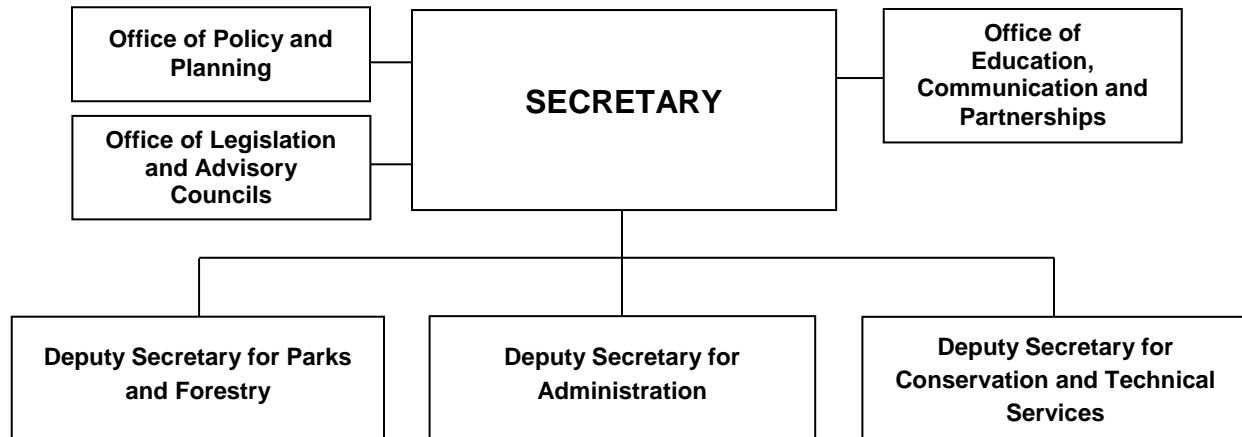
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

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 ecological and geologic resources; and to administer grant and technical assistance programs that will benefit river conservation, trails and greenways, local recreation, regional heritage conservation and environmental education programs across the commonwealth.

Programs and Goals

Parks and Forests Management: *to manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.*

Organization Overview



- **Deputy Secretary for Parks and Forestry** is responsible for managing and directing the operations of the bureaus of Facility Design and Construction, State Parks and Forestry.
- **Deputy Secretary for Administration** is responsible for managing and directing the operations of the human resources, administrative services and information technology bureaus.
- **Deputy Secretary for Conservation and Technical Services** is responsible for managing and directing the operations of the bureaus of Topographic and Geologic Survey and Recreation and Conservation.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
1,389	1,389	1,383	1,403	1,406

Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
General Government Operations.....	\$ 5,809	\$ 12,313	\$ 19,552
(F)Topographic and Geologic Survey Grants.....	500	500	500
(F)Bituminous Coal Resources.....	25	25	0
(F)Land and Water Conservation Fund.....	12,000	12,000	12,000
(F)Highlands Conservation Program.....	2,000	2,000	2,000
(F)Cooperative Endangered Species.....	28	28	28
(F)Intermodal Surface Transportation (EA).....	5,000	5,000	5,000
(A)Payment for Department Services.....	1,871	1,860	1,992
(A)Water Well Drillers.....	32	38	38
(A)Keystone Recreation, Park and Conservation Fund.....	1,816	2,356	3,100
(A)Internet Record Imaging System.....	201	200	200
(A)Environmental Stewardship Fund Admin.....	291	443	435
Subtotal.....	\$ 29,573	\$ 36,763	\$ 44,845

State Parks Operations.....	2,276	33,297	62,450
(F)PA Recreation Trails (EA).....	7,000	7,000	7,000
(F)Lake Erie Lakeside Management (EA).....	25	25	0
(F)Summer 2011 Storm Disaster Relief - Parks (EA).....	100	100	0
(F)Coastal Zone Management Special Projects (EA).....	50	50	50
(F)DEP-DCNR Special Projects (EA).....	2,000	2,000	0
(F)FBC-DCNR Special Projects (EA).....	191	57	0
(A)State Parks User Fees.....	22,045	22,000	22,000
(A)Reimbursement for Services.....	758	786	786
(A)Vehicle Sale.....	93	47	47
Subtotal.....	\$ 34,538	\$ 65,362	\$ 92,333

State Forests Operations.....	1,050	11,195	36,104
(F)Forest Fire Protection and Control.....	2,000	2,000	2,000
(F)Forestry Incentives and Agriculture Conservation.....	175	175	75
(F)Forest Management and Processing.....	3,800	3,800	3,800
(F)Great Lakes Restoration.....	900	900	900
(F)Aid to Volunteer Fire Companies.....	750	750	750
(F)Natural Resource Conservation Service.....	0	264	264
(F)Forest Insect and Disease Control.....	4,000	4,000	4,000
(F)Wetland Protection Fund.....	300	300	300
(F)Summer 2011 Storm Disaster Relief - Forest (EA).....	100	100	0
(F)Wetlands Program Development (EA).....	0	250	250
(A)Reimbursement for Services.....	484	1,000	1,000
(A)Reimbursement - Forest Fires.....	939	525	525
(A)Sale of Vehicles - Forests.....	174	75	75
(A)Timber Sales.....	23,365	22,000	22,500
(A)Miscellaneous Tickets and Fines.....	4	2	2
Subtotal.....	\$ 38,041	\$ 47,336	\$ 72,545

Subtotal - State Funds.....	\$ 9,135	\$ 56,805	\$ 118,106
Subtotal - Federal Funds.....	40,944	41,324	38,917
Subtotal - Augmentations.....	52,073	51,332	52,700
Total - General Government.....	\$ 102,152	\$ 149,461	\$ 209,723

Grants and Subsidies:

Heritage and Other Parks.....	\$ 2,250	\$ 0	\$ 0
Annual Fixed Charges - Flood Lands.....	52	65	65
Annual Fixed Charges - Project 70.....	29	40	40
Annual Fixed Charges - Forest Lands.....	2,529	2,612	2,627
Annual Fixed Charges - Park Lands.....	334	425	425
Total - Grants and Subsidies.....	\$ 5,194	\$ 3,142	\$ 3,157

Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
STATE FUNDS.....	\$ 14,329	\$ 59,947	\$ 121,263
FEDERAL FUNDS.....	40,944	41,324	38,917
AUGMENTATIONS.....	52,073	51,332	52,700
GENERAL FUND TOTAL.....	\$ 107,346	\$ 152,603	\$ 212,880
<u>MOTOR LICENSE FUND:</u>			
General Government:			
Dirt and Gravel Roads.....	\$ 7,000	\$ 7,000	\$ 7,000
Grants and Subsidies:			
(R)Forestry Bridges - Excise Tax (EA).....	\$ 7,223	\$ 8,330	\$ 8,962
STATE FUNDS.....	\$ 7,000	\$ 7,000	\$ 7,000
RESTRICTED REVENUES.....	7,223	8,330	8,962
MOTOR LICENSE FUND TOTAL.....	\$ 14,223	\$ 15,330	\$ 15,962
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Snowmobile & ATV Regulation.....	\$ 5,010	\$ 4,300	\$ 4,300
Forest Regeneration.....	2,872	2,227	2,480
Forestry Research.....	87	250	250
GENERAL FUND TOTAL.....	\$ 7,969	\$ 6,777	\$ 7,030
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 160	\$ 134	\$ 165
ENVIRONMENTAL STEWARDSHIP FUND:			
Parks & Forest Facility Rehabilitation (EA).....	\$ 11,279	\$ 13,211	\$ 12,833
Community Conservation Grants (EA).....	4,269	4,174	4,174
Natural Diversity Conservation Grants (EA).....	366	366	366
ENVIRONMENTAL STEWARDSHIP FUND TOTAL.....	\$ 15,914	\$ 17,751	\$ 17,373
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Park & Forest Facility Rehabilitation (EA).....	\$ 22,600	\$ 21,765	\$ 28,617
Grants for Local Recreation (EA).....	18,834	18,137	23,846
Grants to Land Trusts (EA).....	7,534	7,255	9,539
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 48,968	\$ 47,157	\$ 62,002
OIL AND GAS LEASE FUND:			
State Parks Operations.....	\$ 45,009	\$ 21,413	\$ 0
General Government Operations.....	10,000	5,087	0
General Operations (EA).....	50,000	50,000	36,062
State Forests Operations.....	17,537	10,519	0
Transfer to Marcellus Legacy Fund (EA).....	0 ^a	0 ^a	0 ^a
OIL AND GAS LEASE FUND TOTAL.....	\$ 122,546	\$ 87,019	\$ 36,062
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 5,146	\$ 5,146	\$ 5,176
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA).....	\$ 177	\$ 143	\$ 143
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 14,329	\$ 59,947	\$ 121,263
SPECIAL FUNDS.....	7,000	7,000	7,000
FEDERAL FUNDS.....	40,944	41,324	38,917
AUGMENTATIONS.....	52,073	51,332	52,700
RESTRICTED.....	7,223	8,330	8,962
OTHER FUNDS.....	200,880	164,127	127,951

Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
TOTAL ALL FUNDS.....	\$ 322,449	\$ 332,060	\$ 356,793

^a Not added to the total to avoid double counting with the program expenditures from the Environmental Stewardship Fund and the Hazardous Sites Cleanup Fund shown in various agencies. Environmental Stewardship Fund: 2014-15 Actual is \$35,000,000, 2015-16 Available is \$20,000,000 and 2016-17 Budget is 35,000,000. Hazardous Sites Cleanup Fund: 2014-15 Actual is \$0, 2015-16 Available is \$5,000,000 and 2016-17 Budget is \$15,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 14,329	\$ 59,947	\$ 121,263	\$ 122,445	\$ 123,637	\$ 124,841	\$ 126,059
SPECIAL FUNDS.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS.....	40,944	41,324	38,917	38,917	38,917	38,917	38,917
OTHER FUNDS.....	260,176	223,789	189,613	196,480	199,986	202,433	203,631
SUBCATEGORY TOTAL.....	<u>\$ 322,449</u>	<u>\$ 332,060</u>	<u>\$ 356,793</u>	<u>\$ 364,842</u>	<u>\$ 369,540</u>	<u>\$ 373,191</u>	<u>\$ 375,607</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 14,329	\$ 59,947	\$ 121,263	\$ 122,445	\$ 123,637	\$ 124,841	\$ 126,059
SPECIAL FUNDS.....	7,000	7,000	7,000	7,000	7,000	7,000	7,000
FEDERAL FUNDS.....	40,944	41,324	38,917	38,917	38,917	38,917	38,917
OTHER FUNDS.....	260,176	223,789	189,613	196,480	199,986	202,433	203,631
DEPARTMENT TOTAL.....	<u><u>\$ 322,449</u></u>	<u><u>\$ 332,060</u></u>	<u><u>\$ 356,793</u></u>	<u><u>\$ 364,842</u></u>	<u><u>\$ 369,540</u></u>	<u><u>\$ 373,191</u></u>	<u><u>\$ 375,607</u></u>

Program: Parks and Forests Management

Goal: To manage state park and forest lands for their long-term use and enjoyment; to provide the resources and expertise to help conserve and protect all the commonwealth's natural resources; and help create and sustain economically vibrant communities through quality recreational resources and investments.

Pursue Excellence in the Management of State Park and Forest Lands

The 2.2 million acres of certified sustainable state forests help to keep Pennsylvania clean and beautiful by protecting drinking water and air, sequestering carbon, abating floods, absorbing sediment and pollutants and protecting wildlife. In addition, forests provide the playground for many outdoor adventure seekers and support the forest products industry through its robust hardwood growing stock. The 121 state parks protect many natural, aesthetic, geologic, scenic and historical treasures that make the commonwealth so unique and diverse. About 38 million people visit state parks annually to participate in a variety of outdoor recreation, environmental education and overnight accommodation opportunities. A 2011 Penn State study found that every \$1 invested in state parks generates more than \$12 in economic value, contributing sizable collateral benefits for surrounding businesses and communities.

Key to maintaining these assets and ensuring a high-quality visitor experience on these lands is the responsible maintenance of the extensive system of infrastructure that supports them. As the department makes improvements, it will incorporate sustainable building practices into construction and renovation of facilities. With 13 LEED-certified buildings and several renewable energy demonstration projects providing a strong foundation for this work, the department will aim to increase this number to 20 through building construction and renovations.

The department aims to use its parks and forests to inspire the future stewards of natural resources. Children without a connection to the outdoors will be less inclined as adults to appreciate the values our natural resources provide, and therefore would be less likely to advocate for their protection. The department will strive to create better public access to nature and recreation and develop pathways for employment in environmental fields.

Promote Responsible Stewardship of the Commonwealth's Natural Resources

Statewide forest, land and water conservation is multifaceted and includes developing greenway connectors between conserved lands and communities, protecting public forests and ecologically and geologically significant lands, supporting Pennsylvania's private forest resources, and encouraging more environmentally sensitive growth in developing areas. The stewardship of Pennsylvania's natural resources is the collective responsibility of local

communities, counties, state and federal agencies, businesses, nonprofit conservation organizations, private landowners and every citizen. As the commonwealth's leading advocate for all natural resources, the department provides leadership and guidance to these entities by providing technical assistance, ecological and geologic information, grant funding for research, planning, project development and land acquisition. The department's conservation science programs and topographic and geologic resources — including digital maps, data and geographic information systems — help communities make wise land use decisions that support sustainable development, such as identifying where unique plant or animal species should be protected or where possible sinkholes might affect a development site choice. The department also provides management assistance to private forest landowners, who possess three-quarters of all forest land in the state. The department's goal is to reduce forest fragmentation and loss by conserving an additional 25,000 acres and planting 2,725,000 trees over the next 5 years. In partnership with other state agencies and private industry, the department will launch a short-term forestry task force to develop an action plan to conserve our forests while creating and sustaining forest-related jobs.

Improve Communities Through Access to Conservation and Recreation Resources

One of the department's primary goals is to enhance and promote community conservation and economic opportunity throughout Pennsylvania by investing in communities' natural and recreational resources. The Community Conservation Partnerships Program provides staff-level technical assistance and matching grants for community parks and trails, snowmobile and ATV trails and parks, land conservation, river conservation and rail-trails. These grants, which have assisted every Pennsylvania county and reached more than 50 percent of the commonwealth's communities, are in great demand. Economic studies show strong community investment and health benefits from the presence and expansion of trails, parks and green spaces. These investments often have strong public-private participation and create and support new jobs.

The department will prioritize its grant programs to encourage and support projects that develop sustainable practices, with an emphasis on natural areas for stormwater management, native plantings and green

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

construction. It will also look for connections to the new state Outdoor Recreation Plan 2014-19, the blueprint for the commonwealth's outdoor recreation work over the next five years.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations			
\$ 713	—to continue current program.		
6,526	—to provide for a shift in current operating costs from the Oil and Gas Lease Fund.	\$ 1,642	State Forests Operations
		23,267	—to continue current program.
\$ 7,239	<i>Appropriation Increase</i>		—to provide for a shift in current operating costs from the Oil and Gas Lease Fund.
		\$ 24,909	<i>Appropriation Increase</i>
State Parks Operations			
\$ 2,500	—Initiative—Jobs that Pay—Pennsylvania Conservation Corps. To provide funds for conservation- and recreation-related youth employment opportunities to encourage and build career paths.	\$ 15	Annual Fixed Charges - Forest Lands
			—to continue current program.
5,489	—to continue current program.		
21,164	—to provide for a shift in current operating costs from the Oil and Gas Lease Fund.		
\$ 29,153	<i>Appropriation Increase</i>		

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 5,809	\$ 12,313	\$ 19,552	\$ 19,748	\$ 19,945	\$ 20,144	\$ 20,346
State Parks Operations	2,276	33,297	62,450	63,075	63,705	64,342	64,986
State Forests Operations	1,050	11,195	36,104	36,465	36,830	37,198	37,570
Heritage and Other Parks	2,250	0	0	0	0	0	0
Annual Fixed Charges - Flood Lands	52	65	65	65	65	65	65
Annual Fixed Charges - Project 70	29	40	40	40	40	40	40
Annual Fixed Charges - Forest Lands	2,529	2,612	2,627	2,627	2,627	2,627	2,627
Annual Fixed Charges - Park Lands	334	425	425	425	425	425	425
TOTAL GENERAL FUND	\$ 14,329	\$ 59,947	\$ 121,263	\$ 122,445	\$ 123,637	\$ 124,841	\$ 126,059
MOTOR LICENSE FUND:							
Dirt and Gravel Roads	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

Conservation and Natural Resources

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Parks and Forests Management

Objective: Land Conservation: Reduce forest loss and fragmentation by conserving land and planting trees in urban and suburban communities.

Promote Responsible Stewardship of the Commonwealth's Natural Resources

Land conservation through acquisition and easement (acres) - includes additions to parks, forests, and grants to communities	36,409	5,000	5,000	5,000	5,000	5,000	5,000
TreeVitalize - total trees planted (cumulative)	444,220	479,000	514,000	549,000	584,000	619,000	654,000
Total carbon sequestered in state forest timber resources (million standard tons, annual accumulation)	4.53	4.68	4.84	5	5.18	5.36	5.54
Number of volunteer hours	171,633	173,289	174,942	176,631	178,337	180,059	181,798

Objective: Promote outdoor recreation opportunities by increasing public use of state and local parks and recreational trails.

Pursue Excellence in the Management of State Parks and Forest Lands

State park annual attendance	38,000,000	38,100,000	38,200,000	38,300,000	38,400,000	38,500,000	38,600,000
Environmental and recreation program attendance in state parks and forests	450,997	454,142	456,647	459,147	461,647	464,147	466,647

Improve Communities Through Access to Conservation and Recreational Resources

Miles of new trails developed	28	75	75	75	75	75	75
Total Community Conservation Partnerships Program funds awarded	\$36,800,000	\$37,000,000	\$37,500,000	\$37,500,000	\$37,500,000	\$37,500,000	\$37,500,000

Objective: Demonstrate the energy efficiency and design elements of high-performing green buildings through design, building and grants.

Operate More Effectively and Efficiently

Number of LEED certified buildings in state parks and forests	10	13	15	15	17	18	20
Number of funded C2P2 grants with "green" or energy efficient elements	109	100	100	100	100	100	100

Objective: Expand the use of social media and technology to inform and engage new recreation users.

Improve Communities Through Access to Conservation and Recreational Resources

Social media subscribers (cumulative)	301,000	340,000	400,000	480,000	525,000	575,000	630,000
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Land Use Planning and Technical Assistance

Geologic mapping (square miles)	230	256	170	170	170	170	170
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DEPARTMENT OF CORRECTIONS AND REHABILITATION

The mission of the Department of Corrections and Rehabilitation is to reduce recidivism and promote public safety by providing individualized treatment and education to offenders, utilizing sound decision making practices that include evidence-based approaches, employing effective methods to aid offenders in reentering society, addressing the needs of crime victims and improving county adult probation and parole services.

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. The department further supervises persons on probation or parole, helping them to continue to reintegrate within society. The Pennsylvania Board of Probation and Parole ensures citizen safety through careful selection of offenders to be paroled. The Office of the Victim Advocate administers the victim service programs by representing rights and interests of crime victims. The Sexual Offenders Assessment Board is responsible for the review of registration of sexual offenders and conducting assessments of convicted sex offenders.

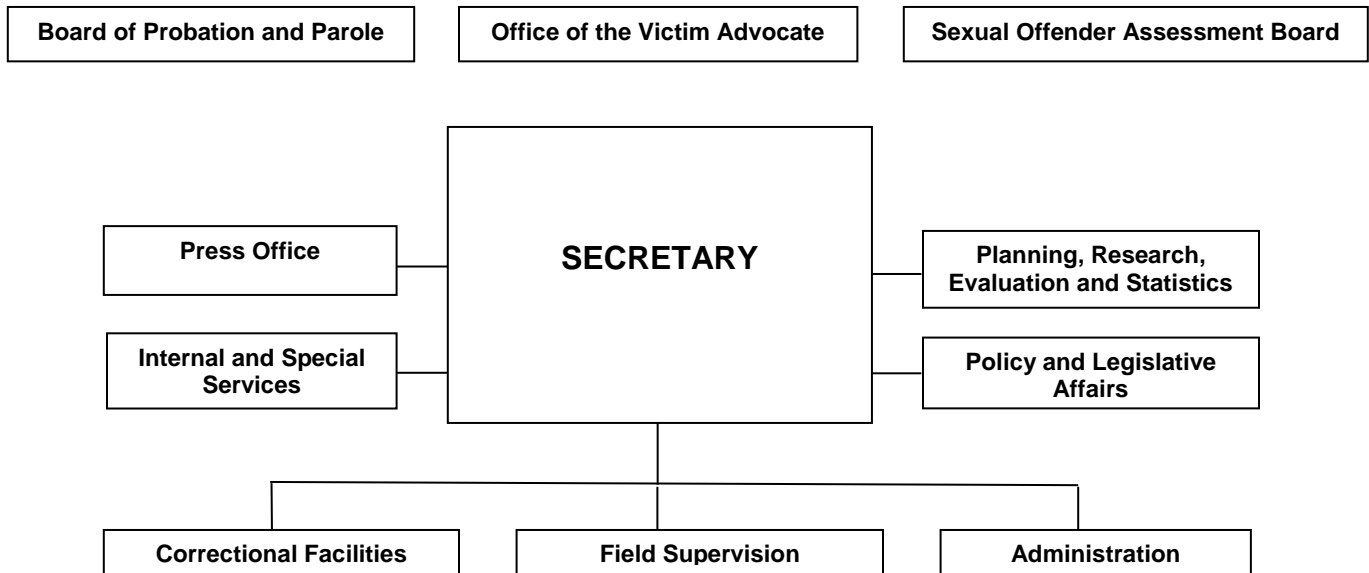
Programs and Goals

Institutionalization of Offenders: *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

Reintegration of the Adult Offender: *To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.*

Organization Overview

This budget proposes to merge the Department of Corrections and the Pennsylvania Board of Probation and Parole to form the Department of Corrections and Rehabilitation.



- **Correctional Facilities** confine offenders for a period of time specified by the courts or the Board of Probation and Parole, and prepare offenders for release and reintegration into the community.
- **Field Supervision** is responsible for providing initial support and guidance to paroled offenders as well as ongoing supervision of the total parolee population.
- **Administration** is responsible for Correctional Industries, health care services, administration, human resources and operations.
- **Board of Probation and Parole** independently decides which offenders should be paroled.
- **Office of the Victim Advocate** represents the interests of crime victims before the board or the Department of Corrections and Rehabilitation.
- **Sexual Offenders Assessment Board** independently conducts assessments for convicted sexual offenders.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
17,353	17,385	17,209	17,189	17,259

Corrections and Rehabilitation

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>Institutional:</i>			
Medical Care.....	\$ 229,150	\$ 258,478	\$ 272,565
(A)AIDS SPBP Rebates.....	18,000	0	0
(A)Medical Reimbursements.....	375	482	482
Subtotal.....	<u>\$ 247,525</u>	<u>\$ 258,960</u>	<u>\$ 273,047</u>
Inmate Education and Training.....	39,962	42,502	45,407
(F)Correctional Education.....	725	727	725
(F)Improving Reentry Education.....	0	326	552
(F)JAG - Culinary Program (EA).....	40	0	0
Subtotal.....	<u>\$ 40,727</u>	<u>\$ 43,555</u>	<u>\$ 46,684</u>
State Correctional Institutions.....	1,830,192	1,912,052^a	2,065,935
(F)SABG - Drug and Alcohol Programs (EA).....	1,965	1,965	1,965
(F)Reimbursement for Alien Inmates.....	1,350	1,600	1,800
(F)Changing Offender Behavior.....	500	255	50
(F)Volunteer Support.....	25	50	25
(F)RSAT - State Prisoners (EA).....	570	750	750
(F)State Intermediate Punishment - HOPE Research (EA).....	131	69	0
(F)PREA Compliance (EA).....	185	290	166
(A)Community Service Centers.....	527	739	739
(A)Institutional Reimbursements.....	323	382	382
(A)Social Security.....	229	264	264
Subtotal.....	<u>\$ 1,835,997</u>	<u>\$ 1,918,416</u>	<u>\$ 2,072,076</u>
Subtotal - State Funds.....	\$ 2,099,304	\$ 2,213,032	\$ 2,383,907
Subtotal - Federal Funds.....	5,491	6,032	6,033
Subtotal - Augmentations.....	19,454	1,867	1,867
Total - Institutional.....	<u>\$ 2,124,249</u>	<u>\$ 2,220,931</u>	<u>\$ 2,391,807</u>
<i>General Government:</i>			
General Government Operations.....	\$ 33,253	\$ 35,216^b	\$ 47,904
(A)County Training.....	149	256	256
(A)Miscellaneous.....	7	24	24
Subtotal.....	<u>\$ 33,409</u>	<u>\$ 35,496</u>	<u>\$ 48,184</u>
State Field Supervision.....	0	0	129,061
(A)State Parole Supervision Fees.....	0	0	4,100
(A)Interstate Supervision Fees.....	0	0	90
Subtotal.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 133,251</u>
Board of Probation and Parole.....	0	0	12,721
Office of Victim Advocate.....	0	0	2,161
Sexual Offenders Assessment Board.....	0	0	6,330
Transfer to Justice Reinvestment Fund (EA).....	991	2,953	9,178
Subtotal - State Funds.....	\$ 34,244	\$ 38,169	\$ 207,355
Subtotal - Augmentations.....	156	280	4,470
Total - General Government.....	<u>\$ 34,400</u>	<u>\$ 38,449</u>	<u>\$ 211,825</u>

Corrections and Rehabilitation

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Grants and Subsidies:			
Improvement of Adult Probation Services.....	\$ 0	\$ 0	\$ 19,512
(R)County Parole Supervision Fees.....	0	0	18,207
Subtotal - State Funds.....	\$ 0	\$ 0	\$ 19,512
Subtotal - Restricted Revenues.....	0	0	18,207
Total - Grants and Subsidies.....	\$ 0	\$ 0	\$ 37,719
STATE FUNDS.....	\$ 2,133,548	\$ 2,251,201	\$ 2,610,774
FEDERAL FUNDS.....	5,491	6,032	6,033
AUGMENTATIONS.....	19,610	2,147	6,337
RESTRICTED REVENUES.....	0	0	18,207
GENERAL FUND TOTAL.....	\$ 2,158,649	\$ 2,259,380	\$ 2,641,351
OTHER FUNDS:			
GENERAL FUND:			
Firearms Education and Training Commission.....	\$ 0	\$ 0	\$ 564
MANUFACTURING FUND:			
General Operations (EA).....	\$ 75,442	\$ 79,057	\$ 80,401
JUSTICE REINVESTMENT FUND:			
Medium and Short Minimum Offender Diversion.....	\$ 0	\$ 326	\$ 1,636
Coordinated Community Reentry.....	0	62	312
Streamline State Parole Process.....	0	0	467
JUSTICE REINVESTMENT FUND TOTAL.....	\$ 0	\$ 388	\$ 2,415
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 2,133,548	\$ 2,251,201	\$ 2,610,774
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	5,491	6,032	6,033
AUGMENTATIONS.....	19,610	2,147	6,337
RESTRICTED.....	0	0	18,207
OTHER FUNDS.....	75,442	79,445	83,380
TOTAL ALL FUNDS.....	\$ 2,234,091	\$ 2,338,825	\$ 2,724,731

^a Includes recommended supplemental appropriation of \$956,026,000.

^b Includes recommended supplemental appropriation of \$1,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 2,133,548	\$ 2,251,201	\$ 2,440,989	\$ 2,518,196	\$ 2,606,023	\$ 2,707,409	\$ 2,812,821
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5,491	6,032	6,033	5,807	5,481	5,481	5,481
OTHER FUNDS.....	95,052	81,592	84,496	85,425	84,164	84,984	85,813
SUBCATEGORY TOTAL.....	<u>\$ 2,234,091</u>	<u>\$ 2,338,825</u>	<u>\$ 2,531,518</u>	<u>\$ 2,609,428</u>	<u>\$ 2,695,668</u>	<u>\$ 2,797,874</u>	<u>\$ 2,904,115</u>
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 0	\$ 0	\$ 169,785	\$ 176,141	\$ 182,746	\$ 189,612	\$ 196,747
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	23,428	23,696	23,439	23,681	23,924
SUBCATEGORY TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 193,213</u>	<u>\$ 199,837</u>	<u>\$ 206,185</u>	<u>\$ 213,293</u>	<u>\$ 220,671</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,133,548	\$ 2,251,201	\$ 2,610,774	\$ 2,694,337	\$ 2,788,769	\$ 2,897,021	\$ 3,009,568
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	5,491	6,032	6,033	5,807	5,481	5,481	5,481
OTHER FUNDS.....	95,052	81,592	107,924	109,121	107,603	108,665	109,737
DEPARTMENT TOTAL.....	<u>\$ 2,234,091</u>	<u>\$ 2,338,825</u>	<u>\$ 2,724,731</u>	<u>\$ 2,809,265</u>	<u>\$ 2,901,853</u>	<u>\$ 3,011,167</u>	<u>\$ 3,124,786</u>

Program: Institutionalization of Offenders

Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

The department protects the public by confining law offenders in state correctional institutions for the period of time specified by the courts and the Pennsylvania Board of Probation and Parole. The department is charged with maintaining safe and humane prisons while providing opportunities to the inmate population for growth and change. Given that 90 percent of offenders incarcerated in the commonwealth's state prisons will eventually be released into the community, the department emphasizes programs that prepare inmates for responsible, crime free community living. These reentry 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 state-administered correctional system includes 25 correctional institutions, 57 state-operated or contracted community corrections centers and a motivational boot camp. There were 49,914 inmates in the state system at the end of December 2015.

Program Element: Institutional Operations

In addition to protecting the public by separating offenders from society, the department emphasizes the safety and security of its staff, volunteers, inmates and visitors to institutions. The department is fully accredited by the American Correctional Association. Security operations are improved through security assessments, training, structural improvements and use of technology such as biometrics and intrusion detection systems. The department's drug interdiction program has been recognized as a best practice by the American Correctional Association. The percentage of inmates randomly testing positive for drug and alcohol use while in prison is 0.32 percent, which is one of the lowest rates in the country for state correctional systems. All inmates undergo a diagnostic and classification process to determine the inmate's appropriate security classification, medical needs and programs needed for reentry into society as well as other needs and requirements.

Two of the largest support services needed to operate the institutions are food service and facility maintenance. Staff and inmates perform most of these functions, giving inmates an opportunity to learn a trade, while constructively occupying their time. Another large support service is health care. A combination of staff and contractors provide health care services. Renal dialysis, geriatric services, infectious care treatment and other necessary services are offered. Approximately 25 percent of the inmate population requires mental health treatment. To address these needs, mental

health services are provided, including special needs units in most institutions and licensed mental health units in six institutions.

Program Element: Inmate Programs and Reentry

The department released slightly more than 22,000 offenders in 2014 with about 77 percent exiting to parole supervision. Legislative changes and a series of savings initiatives halted the rising incarceration rates in 2014, and the department expects to see continued population reductions in the upcoming years. The department provides programming which will enable inmates to leave prison better prepared to adjust to life in the community. A public safety reform package was enacted to enhance inmate participation in treatment programs to reduce recidivism and growth of the nonviolent inmate population. Research has shown that inmate participation in appropriately structured interventions can reduce recidivism. In order to increase public safety, changes have been implemented in parole procedures, particularly affecting inmates classified as violent. Secure parole violator centers are used for certain offenders. These centers provide the means to reduce the number of technical parole violators returned to prison yet maintain a secured environment for offenders assigned to the centers.

Preparation for reentry begins when an offender enters the department's diagnostic and classification center. The center conducts a comprehensive assessment of the individual's risk or probability of re-offending and needs or factors related to criminality such as antisocial attitudes, poor problem solving and decision-making skills, substance abuse, and low levels of education and vocational achievement. This assessment data is used to develop a meaningful correctional plan. The correctional plan details the recommended treatment and education programs for each individual offender and sets expectations for behavior and work performance throughout incarceration.

Another treatment option is the intermediate punishment program. In this program, eligible inmates, including those with less serious offenses, participate in structured alcohol and other drug treatment programs while in prison followed by treatment in the community. The results from program evaluations show a significant reduction in recidivism and drug relapse for offenders who have completed these programs.

Treatment services are designed to modify the inmate's social behavior to a more acceptable level for institutional management and reduce criminal behavior when released, thus providing a basis for better community

Program: Institutionalization of Offenders (continued)

protection. All facilities provide alcohol and other drug treatment programs. Approximately 12,400 inmates are recommended to receive alcohol and other drug treatment upon entry into the state prison system, and approximately 16,500 inmates received treatment services in 2014 in both state correctional institutions and community correction centers. Therapeutic communities provide more intensive alcohol and other drug programming, which is more effective in changing behavior. Approximately 2,100 inmates currently receive this intensive treatment. Other counseling services and programs are available. All facilities offer sex offender treatment, some with special sex offender units.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic education skills. A Correctional Education Association study shows that attending educational courses in prison reduces the likelihood of recidivism by 23 percent. New inmates without a high school diploma or GED are required to attend classes. In 2014, approximately 8,000 inmates were enrolled in GED or adult basic education classes, and 486 inmates received diplomas.

Vocational training is dedicated to the development of marketable job skills so inmates are more employable upon release. A variety of vocational programs are offered, including plumbing, auto mechanics, barbering, electronics and machinist training. The department works with the Department of Labor and Industry to match its vocational offerings to jobs available in the community. Approximately 96 percent of the vocational training programs offered in institutions provide inmates who complete the program and pass examinations with industry recognized credentials.

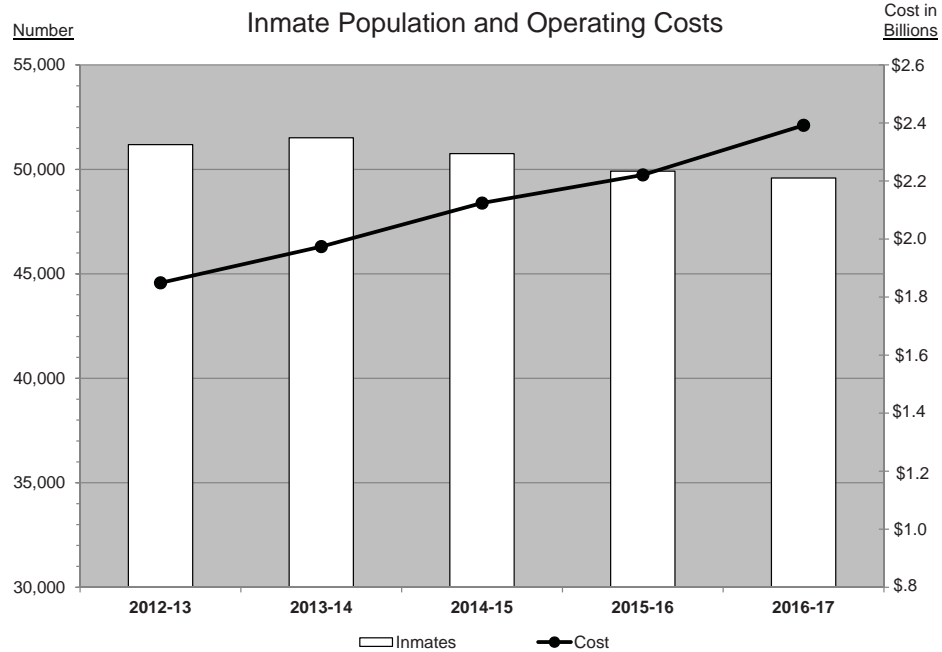
Work is another component of inmate programming. The department is continuing its efforts to have inmates

perform meaningful work. Employment in institutional jobs and correctional industries provide inmates with the opportunity to learn responsibility, good work habits and skills that can be used to find employment after release. Approximately 74 percent of inmates assessed as being able and eligible to work are working. Community work programs, in which low risk inmates perform community service projects outside the institutions, are available at most institutions.

Program Element: Community Corrections

The last step in reentry treatment is community corrections. Community corrections centers permit highly screened inmates, who meet established criteria, to live in halfway houses in the community. At these centers, inmates receive 24-hour supervision and can utilize counseling services while working or attending school. These centers provide programming reinforcement during the inmate's transition back to the community. The centers also offer alcohol and other drug treatment services, employment assistance, specialized counseling for hard to place offenders and other services. The Justice Reinvestment Initiative eliminated inmate pre-release into community corrections centers, although inmates placed into the State Intermediate Punishment (SIP) program can still be housed in these centers. Currently, most community corrections center space houses parolees, including those offenders classified as technical parole violators or part of the state's halfway back program as an alternative to a return to prison. In December 2015, there were approximately 900 offenders in the community corrections centers with an additional 900 housed in county jails. Approximately 84 percent of these offenders are parolees with the remainder consisting of SIP inmates.

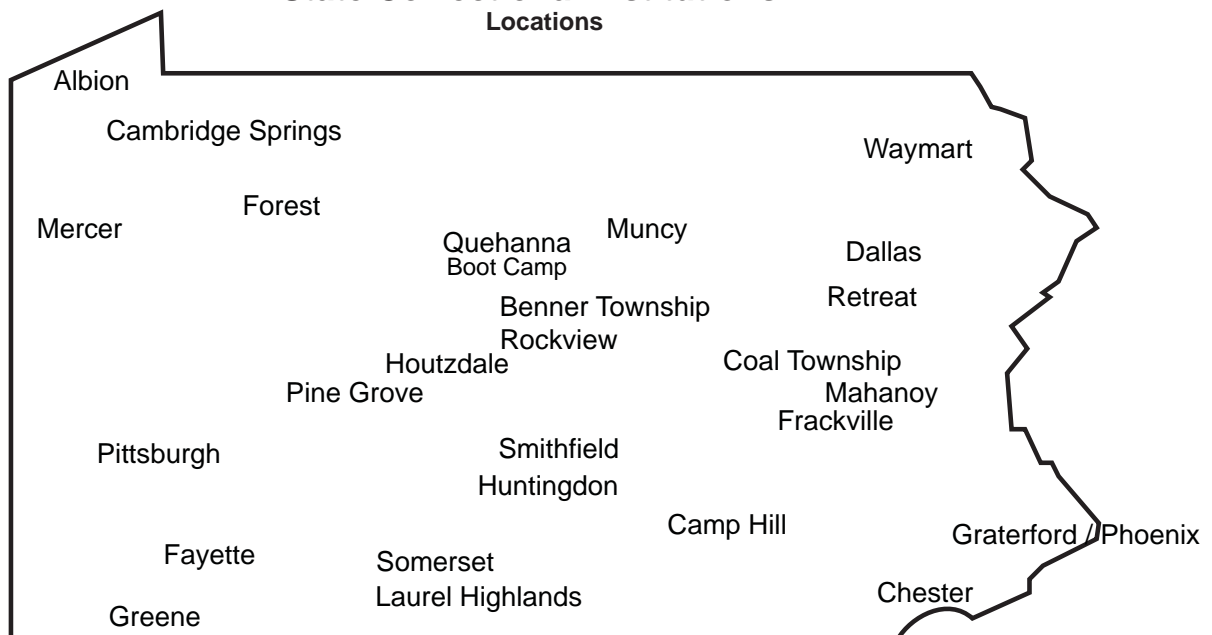
State Correctional Institutions



The cost of operating the state correctional institution system has increased from nearly \$1.85 billion in 2012-13 to \$2.39 billion in 2016-17. During this timeframe, the inmate population has declined from 51,184 to 49,587 due to recent legislative changes and recidivism reduction initiatives.

State Correctional Institutions

Locations



Corrections and Rehabilitation

Program: Institutionalization of Offenders (continued)

Population by Institution	Population	Population	Estimated
Institutions	Dec 2014	Dec 2015	Population
			Dec 2016
Albion.....	2,272	2,242	2,245
Benner Township.....	2,106	2,050	2,053
Cambridge Springs.....	1,020	1,151	1,154
Camp Hill.....	3,485	3,525	3,528
Chester.....	1,275	1,216	1,219
Coal Township.....	2,333	2,269	2,272
Dallas.....	2,127	2,140	2,143
Fayette.....	2,054	2,019	2,022
Forest.....	2,283	2,278	2,281
Frackville.....	1,192	1,135	1,138
Graterford/Phoenix.....	3,422	3,150	3,162
Greene.....	1,758	1,746	1,478
Houtzdale.....	2,551	2,505	2,508
Huntingdon.....	2,091	2,161	2,164
Laurel Highlands.....	1,550	1,379	1,382
Mahanoy.....	2,487	2,463	2,466
Mercer.....	1,463	1,465	1,468
Muncy.....	1,447	1,399	1,402
Pine Grove.....	1,112	943	946
Pittsburgh.....	1,909	1,640	1,643
Quehanna Boot Camp.....	469	447	450
Retreat.....	1,105	1,129	1,132
Rockview.....	2,183	2,398	2,401
Smithfield.....	1,374	1,344	1,347
Somerset.....	2,392	2,407	2,410
Waymart.....	1,421	1,362	1,522
Community Centers.....	970	960	960
Other Jurisdictions.....	905	991	691
Total.....	50,756	49,914	49,587

Other jurisdictions capacity includes contract county jail beds and federal beds.

Corrections and Rehabilitation

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget		2014-15 Actual	2015-16 Available	2016-17 Budget
Albion				Graterford/Phoenix			
State Funds.....	\$ 72,566	\$ 78,803	\$ 85,030	State Funds.....	\$ 140,017	\$ 150,819	\$ 163,208
Federal Funds.....	82	82	82	Federal Funds.....	82	82	82
Augmentations.....	645	31	31	Augmentations.....	1,642	68	68
TOTAL.....	<u>\$ 73,293</u>	<u>\$ 78,916</u>	<u>\$ 85,143</u>	TOTAL.....	<u>\$ 141,741</u>	<u>\$ 150,969</u>	<u>\$ 163,358</u>
Benner Township				Greene			
State Funds.....	\$ 67,274	\$ 68,838	\$ 75,510	State Funds.....	\$ 88,577	\$ 90,839	\$ 99,490
Federal Funds.....	82	82	82	Federal Funds.....	82	82	82
Augmentations.....	624	41	41	Augmentations.....	618	23	23
TOTAL.....	<u>\$ 67,980</u>	<u>\$ 68,961</u>	<u>\$ 75,633</u>	TOTAL.....	<u>\$ 89,277</u>	<u>\$ 90,944</u>	<u>\$ 99,595</u>
Cambridge Springs				Houtzdale			
State Funds.....	\$ 41,811	\$ 42,760	\$ 46,769	State Funds.....	\$ 76,182	\$ 76,876	\$ 84,459
Federal Funds.....	173	173	175	Federal Funds.....	188	188	187
Augmentations.....	555	39	39	Augmentations.....	648	37	37
TOTAL.....	<u>\$ 42,539</u>	<u>\$ 42,972</u>	<u>\$ 46,983</u>	TOTAL.....	<u>\$ 77,018</u>	<u>\$ 77,101</u>	<u>\$ 84,683</u>
Camp Hill				Huntingdon			
State Funds.....	\$ 127,526	\$ 127,534	\$ 137,112	State Funds.....	\$ 77,649	\$ 84,945	\$ 93,104
Federal Funds.....	97	97	97	Federal Funds.....	82	82	82
Augmentations.....	1,291	53	53	Augmentations.....	585	34	34
TOTAL.....	<u>\$ 128,914</u>	<u>\$ 127,684</u>	<u>\$ 137,262</u>	TOTAL.....	<u>\$ 78,316</u>	<u>\$ 85,061</u>	<u>\$ 93,220</u>
Chester				Laurel Highlands			
State Funds.....	\$ 50,920	\$ 53,518	\$ 59,052	State Funds.....	\$ 78,230	\$ 82,041	\$ 86,059
Federal Funds.....	0	0	0	Federal Funds.....	82	82	82
Augmentations.....	278	32	32	Augmentations.....	1,518	33	33
TOTAL.....	<u>\$ 51,198</u>	<u>\$ 53,550</u>	<u>\$ 59,084</u>	TOTAL.....	<u>\$ 79,830</u>	<u>\$ 82,156</u>	<u>\$ 86,174</u>
Coal Township				Mahanoy			
State Funds.....	\$ 69,960	\$ 73,976	\$ 81,533	State Funds.....	\$ 74,991	\$ 78,505	\$ 84,977
Federal Funds.....	206	211	214	Federal Funds.....	82	82	82
Augmentations.....	660	44	44	Augmentations.....	735	40	40
TOTAL.....	<u>\$ 70,826</u>	<u>\$ 74,231</u>	<u>\$ 81,791</u>	TOTAL.....	<u>\$ 75,808</u>	<u>\$ 78,627</u>	<u>\$ 85,099</u>
Dallas				Mercer			
State Funds.....	\$ 83,773	\$ 85,795	\$ 95,579	State Funds.....	\$ 52,491	\$ 56,043	\$ 58,416
Federal Funds.....	88	88	88	Federal Funds.....	82	82	82
Augmentations.....	696	38	38	Augmentations.....	434	34	34
TOTAL.....	<u>\$ 84,557</u>	<u>\$ 85,921</u>	<u>\$ 95,705</u>	TOTAL.....	<u>\$ 53,007</u>	<u>\$ 56,159</u>	<u>\$ 58,532</u>
Fayette				Muncy			
State Funds.....	\$ 87,349	\$ 88,725	\$ 96,426	State Funds.....	\$ 73,575	\$ 77,066	\$ 84,662
Federal Funds.....	82	82	82	Federal Funds.....	132	90	90
Augmentations.....	699	29	29	Augmentations.....	910	34	34
TOTAL.....	<u>\$ 88,130</u>	<u>\$ 88,836</u>	<u>\$ 96,537</u>	TOTAL.....	<u>\$ 74,617</u>	<u>\$ 77,190</u>	<u>\$ 84,786</u>
Forest				Pine Grove			
State Funds.....	\$ 80,173	\$ 87,348	\$ 91,938	State Funds.....	\$ 57,019	\$ 60,912	\$ 67,230
Federal Funds.....	94	94	94	Federal Funds.....	15	15	15
Augmentations.....	656	23	23	Augmentations.....	283	13	13
TOTAL.....	<u>\$ 80,923</u>	<u>\$ 87,465</u>	<u>\$ 92,055</u>	TOTAL.....	<u>\$ 57,317</u>	<u>\$ 60,940</u>	<u>\$ 67,258</u>
Frackville				Pittsburgh			
State Funds.....	\$ 49,865	\$ 51,471	\$ 55,776	State Funds.....	\$ 84,223	\$ 84,113	\$ 95,822
Federal Funds.....	82	82	82	Federal Funds.....	0	0	0
Augmentations.....	372	17	17	Augmentations.....	1,135	34	34
TOTAL.....	<u>\$ 50,319</u>	<u>\$ 51,570</u>	<u>\$ 55,875</u>	TOTAL.....	<u>\$ 85,358</u>	<u>\$ 84,147</u>	<u>\$ 95,856</u>

Corrections and Rehabilitation

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget		2014-15 Actual	2015-16 Available	2016-17 Budget
Quehanna Boot Camp				Waymart			
State Funds.....	\$ 24,184	\$ 26,124	\$ 28,462	State Funds.....	\$ 83,024	\$ 87,632	\$ 96,380
Federal Funds.....	92	143	143	Federal Funds.....	171	172	174
Augmentations.....	158	13	13	Augmentations.....	1,055	25	25
TOTAL.....	<u>\$ 24,434</u>	<u>\$ 26,280</u>	<u>\$ 28,618</u>	TOTAL.....	<u>\$ 84,250</u>	<u>\$ 87,829</u>	<u>\$ 96,579</u>
Retreat				Community Centers			
State Funds.....	\$ 46,962	\$ 51,083	\$ 57,426	State Funds.....	\$ 111,942	\$ 128,633	\$ 125,934
Federal Funds.....	88	88	88	Federal Funds.....	82	82	82
Augmentations.....	393	16	16	Augmentations.....	527	739	739
TOTAL.....	<u>\$ 47,443</u>	<u>\$ 51,187</u>	<u>\$ 57,530</u>	TOTAL.....	<u>\$ 112,551</u>	<u>\$ 129,454</u>	<u>\$ 126,755</u>
Rockview				Training Academy			
State Funds.....	\$ 89,899	\$ 92,739	\$ 97,922	State Funds.....	\$ 1,808	\$ 1,961	\$ 1,931
Federal Funds.....	190	198	201	Federal Funds.....	40	0	0
Augmentations.....	846	57	57	Augmentations.....	9	0	0
TOTAL.....	<u>\$ 90,935</u>	<u>\$ 92,994</u>	<u>\$ 98,180</u>	TOTAL.....	<u>\$ 1,857</u>	<u>\$ 1,961</u>	<u>\$ 1,931</u>
Smithfield				Central Office			
State Funds.....	\$ 59,993	\$ 64,985	\$ 74,944	State Funds.....	\$ 57,342 ^a	\$ 63,167 ^a	\$ 60,302 ^a
Federal Funds.....	82	82	82	Federal Funds.....	2,269	2,647	2,639
Augmentations.....	550	17	17	Augmentations.....	232	264	264
TOTAL.....	<u>\$ 60,625</u>	<u>\$ 65,084</u>	<u>\$ 75,043</u>	TOTAL.....	<u>\$ 59,843</u>	<u>\$ 66,078</u>	<u>\$ 63,205</u>
Somerset				Other Jurisdictions			
State Funds.....	\$ 72,357	\$ 73,007	\$ 80,726	State Funds.....	\$ 17,622	\$ 22,774	\$ 17,728
Federal Funds.....	94	94	94	Federal Funds.....	570	750	750
Augmentations.....	700	39	39	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 73,151</u>	<u>\$ 73,140</u>	<u>\$ 80,859</u>	TOTAL.....	<u>\$ 18,192</u>	<u>\$ 23,524</u>	<u>\$ 18,478</u>

^a Expenditures include annual maintenance costs for closed institutions.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 13,847	—to continue current program. Reflects the consolidation of administrative functions.
—1,159	—Initiative—cost savings realized through elimination of duplicative services.
<u>\$ 12,688</u>	<i>Appropriation Increase</i>
Medical Care	
\$ 8,765	—to continue current program.
3,000	—Initiative - to provide enhanced treatment for inmates with serious mental illness.
2,322	—Initiative - for the creation of a dementia unit at SCI Waymart.
<u>\$ 14,087</u>	<i>Appropriation Increase</i>

Inmate Education and Training	
\$ 2,905	—to continue current program.
State Correctional Institutions	
\$ 157,911	—to continue current program.
5,076	—Initiative—to provide enhanced treatment for inmates with serious mental illness.
—5,004	—Initiative—cost savings realized through elimination of duplicative services.
—4,100	—Initiative—operational and process changes that will produce savings through population reduction.
<u>\$ 153,883</u>	<i>Appropriation Increase</i>
Transfer to Justice Reinvestment Fund (EA)	
\$ 6,225	—to distribute prior year savings from the Justice Reinvestment Initiative.

Corrections and Rehabilitation

Program: Institutionalization of Offenders (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Medical Care	\$ 229,150	\$ 258,478	\$ 272,565	\$ 283,468	\$ 294,806	\$ 306,599	\$ 318,862
Inmate Education and Training.....	39,962	42,502	45,407	45,861	46,320	46,783	47,251
State Correctional Institutions.....	1,830,192	1,912,052	2,065,935	2,130,798	2,216,030	2,304,671	2,396,858
General Government Operations	33,253	35,216	47,904	48,383	48,867	49,356	49,850
Transfer to Justice Reinvestment Fund (EA)	991	2,953	9,178	9,686	0	0	0
GENERAL FUND TOTAL	\$ 2,133,548	\$ 2,251,201	\$ 2,440,989	\$ 2,518,196	\$ 2,606,023	\$ 2,707,409	\$ 2,812,821

Program: Reintegration of the Adult Offender

Goal: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

The primary goal is to protect the safety of the public through effective parole decisions and proper supervision of offenders returning to their communities. Successful reentry of offenders can reduce the likelihood they will victimize anyone else and return to prison.

This includes making parole decisions and supervising adult parolees with a maximum sentence of two years or more; revoking the parole of technical parole violators who continue to violate parole conditions; revoking the parole of violators convicted of new crimes; and discharging parolees who have fulfilled their sentences in compliance with the conditions of parole. The parole population includes offenders from the state correctional system, special county probation, and parole cases and offenders transferring from other states into Pennsylvania. Offenders with maximum sentences under two years are supervised at the county level unless the county court certifies the case to the state for special probation supervision. Offenders sentenced to a term of two years or more, but less than five years, may be confined in county jail if the chief administrator certifies the jail has sufficient capacity. The judge retains paroling authority.

Program Element: Parole Decisions

Offenders must serve their minimum sentence before they become eligible for parole. To prepare offenders for reentry while incarcerated, the department develops a correctional plan to address drug and alcohol treatment needs, educational opportunities, vocational training, counseling services and employment opportunities within the institution. During a parole hearing, board members consider the offender's behavior and program performance while in prison, review the offender's risk and needs assessment, and consider other factors required by law to determine if the offender's reentry into the community is not likely to compromise public safety. The board offers victims the opportunity to provide testimony in person to board members as part of the decisional process.

Program Element: Reentry Preparation

To fulfill the mission of community safety, the department 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 institutional parole staff works with offenders while they are incarcerated to identify employment, housing and other issues that create obstacles or challenges to successful reentry. Inmates are given assistance with the basics of job search preparation. Upon release, an offender's needs are reassessed

every six months or more frequently, if necessary. The department facilitates cognitive behavioral programs in areas such as life skills, drug and alcohol relapse prevention, and anger management. Drug and alcohol treatment, sex offender treatment and other specialized treatment or programming needs are available through referrals to individual county programs, or while under supervision at a community corrections center.

Program Element: Supervision and Case Management

The reentry of an offender into the community requires effective parole supervision, which includes a balance of monitoring and enforcement of parole conditions coupled with effective case management. As part of the department's responsibility to public safety, parole agents use problem-solving case management and other evidence-based strategies to reduce the offender's risk to re-offend. Parole staff also helps the offender with challenges regarding their job, residence, continuity of care or other issues. Also key to public safety and a reduction of crime is the management of technical parole violators through alternative, community-based interventions and specialized support programs to safely and effectively allow for continued supervision in the community. These secure centers immediately address issues causing the offender to struggle with their adjustment to life outside of prison with the goal of reducing the number of technical parole violators returned to prison. A violent offender management protocol has been implemented, including a curfew and violence prevention aftercare program. Anger management and life skills programming are also provided. These actions were developed and initiated to aid in reducing offender recidivism.

Program Element: County Probation

In addition to operating the state parole system, a grant program is administered to support county adult probation personnel and services. Counties are reimbursed up to 80 percent of the personnel costs for pre-sentence investigations and for improved probation supervision and programs.

Program Element: Other Probation and Parole Programs

The Office of Victim Advocate represents the interests of crime victims before the board or the department.

The Sexual Offenders Assessment Board is responsible for conducting court-ordered assessments of convicted sexual offenders. The assessments are provided to district attorneys and assist in determining those offenders who

Corrections and Rehabilitation

Program: Reintegration of the Adult Offender (continued)

may be found by the court to be sexually violent predators. All sex offenders are now classified into three classes, or tiers, based on the severity of the sex crimes for which they have been convicted. The Adam Walsh Act also added additional sex offenses that require registration, increasing the number of individuals whose assessments

will ultimately be under the purview of the Sexual Offenders Assessment Board.

The board's role relating to sex offenders includes updating and verifying the registry information for any offenders under board supervision.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

State Field Supervision		Sexual Offenders Assessment Board	
\$ 129,061	—for expenses related to the operation of state parole supervision. Reflects full-year funding for consolidation into Corrections and Rehabilitation.	\$ 6,330	—for expenses related to the operation of the independent board. Reflects full-year funding for consolidation into Corrections and Rehabilitation.
Board of Probation and Parole		Improvement of Adult Probation Services	
\$ 12,721	—for expenses related to the operation of the independent board. Reflects full-year funding for consolidation into Corrections and Rehabilitation.	\$ 19,512	—for grants to counties to support county adult probation personnel costs. Reflects full-year funding for consolidation into Corrections and Rehabilitation.
Office of Victim Advocate			
\$ 2,161	—for expenses related to the operation of the office. Reflects full-year funding for consolidation into Corrections and Rehabilitation.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
State Field Supervision.....	\$ 0	\$ 0	\$ 129,061	\$ 135,010	\$ 141,204	\$ 147,654	\$ 154,370
Board of Probation and Parole	0	0	12,721	12,848	12,976	13,106	13,237
Office of Victim Advocate.....	0	0	2,161	2,183	2,205	2,227	2,249
Sexual Offenders Assessment Board.....	0	0	6,330	6,393	6,457	6,522	6,587
Improvement of Adult Probation Services .	0	0	19,512	19,707	19,904	20,103	20,304
TOTAL GENERAL FUND	\$ 0	\$ 0	\$ 169,785	\$ 176,141	\$ 182,746	\$ 189,612	\$ 196,747

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Institutionalization of Offenders

Objective: Reduce Prison Violence Rates

Violence rate per 1,000 inmates	49.90	48.90	47.90	46.50	44.90	43.80	42.50
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Objective: Reduce Recidivism

One-year recidivism rate	35.10%	33.90%	32.60%	31.40%	30.10%	28.90%	27.60%
Three-year recidivism rate	59.90%	58.70%	57.40%	56.20%	54.90%	53.70%	52.40%

Objective: Improve assessment and treatment of inmates by evaluating inmates appropriately and by giving them proven treatment in a timely manner, thus reducing recidivism.

Inmates assessed as having an alcohol or other drug problem	32,738	32,500	32,100	31,600	31,000	30,800	30,700
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Objective: Operate all state prisons securely, safely and humanely by creatively and efficiently managing inmate populations and facilities and controlling inmate population growth.

Total inmate population	50,366	50,032	49,354	48,583	47,724	47,350	47,196
Inmates in state intermediate punishment program	883	900	950	950	950	950	950
Cost per inmate per year (state funds)	\$41,681	\$44,232	\$48,302	\$50,638	\$53,582	\$56,136	\$58,542
Cost per inmate per year for health care (state funds)	\$4,907	\$5,166	\$5,523	\$5,835	\$6,177	\$6,475	\$6,756
Ratio of inmates to custody staff	6	6	6	6	6	6	6

Objective: Prepare inmates for successful reentry into the community.

Number of inmates employed or in educational programs	33,242	33,000	32,600	32,100	31,500	31,300	31,200
Hours worked in community works projects	397,854	425,300	419,500	412,900	405,600	402,400	403,400
Inmates enrolled in academic educational programs	9,052	8,700	8,500	8,250	8,000	7,800	7,600
Inmates enrolled in vocational programs	3,206	3,200	3,130	3,060	2,990	2,920	2,850
Inmates needing adult basic education or GED upon reception	19,391	19,350	19,250	19,150	18,830	18,505	18,250

Program: Reintegration of the Adult Offender

Objective: Decrease time from minimum date to release date for paroled offenders.

Median number of days from minimum date to release date for all minimum releases.	11	10	10	10	10	10	10
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Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Increase the number of offenders identified as appropriate for parole based on reduced risk of committing another crime.

Board Parole Process

Average monthly number of offenders eligible for parole interviews	2,466	2,420	2,420	2,450	2,480	2,520	2,550
Average monthly number of offenders interviewed	1,703	1,670	1,670	1,700	1,730	1,760	1,780
Average monthly number of offenders granted parole or reparole	1,008	990	990	1,000	1,020	1,040	1,050
Average monthly number of offenders released to parole from state correctional institutions	1,035	1,080	1,090	1,100	1,120	1,140	1,160

State Supervision Process

State parolees and probationers supervised at fiscal year end	41,226	42,210	42,860	43,450	43,960	44,410	44,770
Annual state sentence releases to parole supervision	13,528	13,570	13,580	13,790	14,000	14,220	14,430

Objective: Increase the percentage of parolees able to work who are employed.

State Supervision Process

Employment rate (percentage) of offenders who are able to work	54%	56%	57%	57%	59%	60%	60%
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Objective: Increase the percentage of parolees who successfully complete parole.

State Supervision Process

Successful completions of parole as a percentage of monthly cases closed (revocations or successful completions)	51%	51%	51%	51%	51%	52%	52%
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State Supervision Fee Collection

Total state supervision fee dollars collected annually	\$3,819,327	\$4,104,000	\$4,165,000	\$4,224,000	\$4,274,000	\$4,317,000	\$4,352,000
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Objective: Decrease the number of offenders who stop reporting to their parole agent.

State Supervision Process

Average monthly percentage of supervised offenders in absconder status	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
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Objective: Decrease the number of technical parole violators (parolees who break their conditions of parole) recommitted to prison.

State Supervision Process

Average monthly number of state-sentenced technical parole violators returned to prison	266	260	260	250	250	250	240
Average monthly percentage of state-sentenced technical parole violators returned to prison	0.87%	0.84%	0.82%	0.80%	0.78%	0.76%	0.74%

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Maintain the current low number of convicted parole violators (parolees who commit a new crime while on parole) recommitted to prison.

State Supervision Process

Average monthly number of state-sentenced convicted parole violators returned to prison	206	220	230	230	240	250	260
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Average monthly percentage of state-sentenced population returned to prison as convicted parole violators	0.67%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
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Objective: Decrease the percentage of individuals who return to prison upon release from prison.

One-year recidivism rate	20%	20%	20%	20%	20%	20%	20%
Three-year recidivism rate	45%	46%	46%	47%	47%	48%	48%

Objective: Increase the services to registered crime victims through the Office of Victim Advocate.

Total number of registrations and notifications to registered crime victims	32,150	37,150	42,150	47,150	52,150	57,150	62,150
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Objective: Track and report on county probation activity.

Probationers and parolees supervised by county probation departments	243,767	251,080	258,110	264,560	269,860	277,950	287,680
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BOARD OF PROBATION AND PAROLE

This budget proposes to merge the Pennsylvania Board of Probation and Parole and the Department of Corrections to form the Department of Corrections and Rehabilitation.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 134,347	\$ 145,194	\$ 0^a
(F)Violence Prediction Model.....	86	54	0
(F)Sex Offender Agent Overtime (EA).....	60	47	0
(F)Effective Practices in Community Supervision (EA).....	204	93	0
(F)OVA Education and Awareness (EA).....	222	198	0
(A)State Parole Supervision Fees.....	3,900	4,000	0
(A)Interstate Supervision Fees.....	111	90	0
Subtotal.....	\$ 138,930	\$ 149,676	\$ 0
Sexual Offenders Assessment Board.....	5,459	5,829	0^a
Subtotal.....	\$ 5,459	\$ 5,829	\$ 0
Subtotal - State Funds.....	\$ 139,806	\$ 151,023	\$ 0
Subtotal - Federal Funds.....	572	392	0
Subtotal - Augmentations.....	4,011	4,090	0
Total - General Government.....	\$ 144,389	\$ 155,505	\$ 0
<i>Grants and Subsidies:</i>			
Improvement of Adult Probation Services.....	\$ 16,222	\$ 16,222	\$ 0^a
(R)County Parole Supervision Fees.....	17,126	17,856	0
Subtotal.....	\$ 33,348	\$ 34,078	\$ 0
Subtotal - State Funds.....	\$ 16,222	\$ 16,222	\$ 0
Subtotal - Restricted Revenues.....	17,126	17,856	0
Total - Grants and Subsidies.....	\$ 33,348	\$ 34,078	\$ 0
STATE FUNDS.....	\$ 156,028	\$ 167,245	\$ 0
FEDERAL FUNDS.....	572	392	0
AUGMENTATIONS.....	4,011	4,090	0
RESTRICTED REVENUES.....	17,126	17,856	0
GENERAL FUND TOTAL.....	\$ 177,737	\$ 189,583	\$ 0
OTHER FUNDS:			
GENERAL FUND:			
Firearms Education and Training Commission.....	\$ 368	\$ 566	\$ 0 ^a
JUSTICE REINVESTMENT FUND:			
Streamline State Parole Process.....	\$ 0	\$ 93	\$ 0 ^a
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 156,028	\$ 167,245	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	572	392	0
AUGMENTATIONS.....	4,011	4,090	0
RESTRICTED.....	17,126	17,856	0
OTHER FUNDS.....	368	659	0
TOTAL ALL FUNDS.....	\$ 178,105	\$ 190,242	\$ 0

^a Funding for this program has been transferred to the Department of Corrections and Rehabilitation.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 156,028	\$ 167,245	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	572	392	0	0	0	0	0
OTHER FUNDS.....	21,505	22,605	0	0	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 178,105</u>	<u>\$ 190,242</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 156,028	\$ 167,245	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	572	392	0	0	0	0	0
OTHER FUNDS.....	21,505	22,605	0	0	0	0	0
DEPARTMENT TOTAL.....	<u><u>\$ 178,105</u></u>	<u><u>\$ 190,242</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS

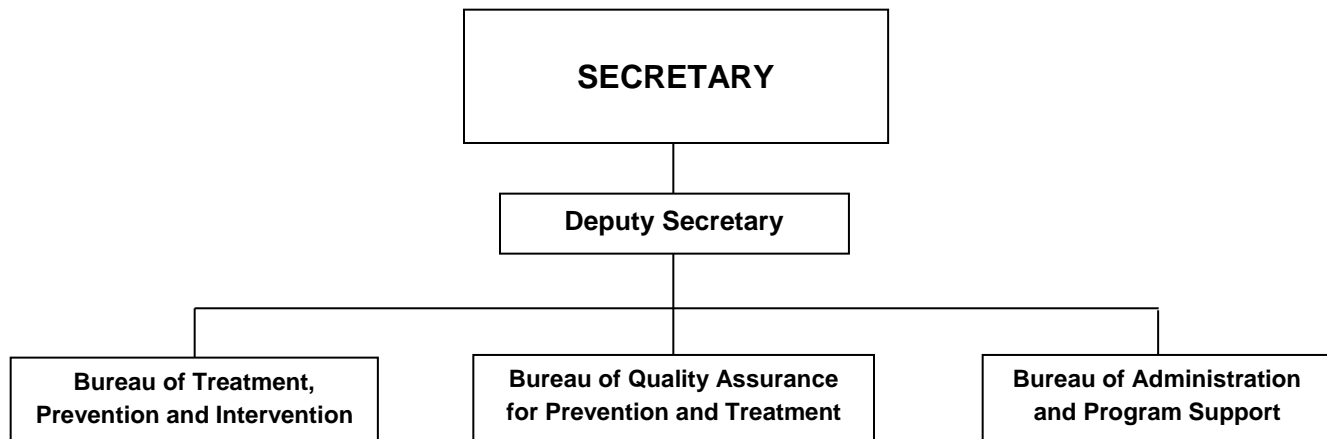
The mission of the Department of Drug and Alcohol Programs is to engage, coordinate and lead the commonwealth's effort to prevent and reduce drug, alcohol and gambling addiction and abuse; and to promote recovery, thereby reducing the human and economic impact of the disease.

The department develops and implements programs to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs. These programs are designed to educate all population segments on the effects and dangers drug and alcohol abuse and dependency pose to public health and to mitigate the economic impact of substance abuse for the citizens of Pennsylvania.

Programs and Goals

Drug and Alcohol Abuse Prevention and Treatment: *To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.*

Organization Overview



- **Director of the Bureau of Treatment, Prevention and Intervention** provides county authorities, providers and communities throughout the commonwealth with the tools they need to effectively prevent and treat drug and alcohol problems, as well as problem gambling.
- **Director of the Bureau of Quality Assurance for Prevention and Treatment** ensures that drug and alcohol programs throughout the commonwealth meet or exceed high quality standards and licensure requirements.
- **Director of the Bureau of Administration and Program Support** supports the department programs, including fiscal management, training, data collection and analysis, information technology, administrative and clerical services.

Authorized Complement

2010-11 Actual*	2011-12 Actual*	2012-13 Actual	2013-14 Actual	2014-15 Actual
-	-	77	77	81

*Complement was authorized in the Department of Health.

Drug and Alcohol Programs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 628	\$ 1,869	\$ 1,382
(F)SABG - Administration and Operation.....	7,640	7,858	8,193
(F)Substance Abuse Special Projects - Admin & Operation.....	2,480	2,319	2,228
Subtotal.....	\$ 10,748	\$ 12,046	\$ 11,803
Subtotal - State Funds.....	\$ 628	\$ 1,869	\$ 1,382
Subtotal - Federal Funds.....	10,120	10,177	10,421
Total - General Government.....	\$ 10,748	\$ 12,046	\$ 11,803
<i>Grants and Subsidies:</i>			
Assistance to Drug and Alcohol Programs.....	\$ 41,232	\$ 46,232	\$ 46,232
(F)SABG - Drug and Alcohol Services.....	53,197	59,806	59,471
(F)Substance Abuse Special Projects Grants.....	11,237	12,034	11,667
(F)Access to Recovery.....	2,959	0	0
(A)Community Restitution Payments.....	2	3	3
(A)State Stores Fund Transfer (EA).....	2,474	2,500	2,500
Subtotal.....	\$ 111,101	\$ 120,575	\$ 119,873
Subtotal - State Funds.....	\$ 41,232	\$ 46,232	\$ 46,232
Subtotal - Federal Funds.....	67,393	71,840	71,138
Subtotal - Augmentations.....	2,476	2,503	2,503
Total - Grants and Subsidies.....	\$ 111,101	\$ 120,575	\$ 119,873
STATE FUNDS.....	\$ 41,860	\$ 48,101	\$ 47,614
FEDERAL FUNDS.....	77,513	82,017	81,559
AUGMENTATIONS.....	2,476	2,503	2,503
GENERAL FUND TOTAL.....	\$ 121,849	\$ 132,621	\$ 131,676
OTHER FUNDS:			
COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND:			
Drug and Alcohol Treatment Services (EA).....	\$ 3,000	\$ 3,000	\$ 3,000
Compulsive and Problem Gambling Treatment (EA).....	6,800	5,800	6,150
COMPULSIVE AND PROBLEM GAMBLING TREATMENT FUND TOTAL.....	\$ 9,800	\$ 8,800	\$ 9,150
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 41,860	\$ 48,101	\$ 47,614
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	77,513	82,017	81,559
AUGMENTATIONS.....	2,476	2,503	2,503
OTHER FUNDS.....	9,800	8,800	9,150
TOTAL ALL FUNDS.....	\$ 131,649	\$ 141,421	\$ 140,826

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 41,860	\$ 48,101	\$ 47,614	\$ 47,628	\$ 47,642	\$ 47,656	\$ 47,670
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	77,513	82,017	81,559	81,641	81,724	81,808	81,892
OTHER FUNDS.....	12,276	11,303	11,653	10,653	11,653	10,653	11,653
SUBCATEGORY TOTAL.....	<u>\$ 131,649</u>	<u>\$ 141,421</u>	<u>\$ 140,826</u>	<u>\$ 139,922</u>	<u>\$ 141,019</u>	<u>\$ 140,117</u>	<u>\$ 141,215</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 41,860	\$ 48,101	\$ 47,614	\$ 47,628	\$ 47,642	\$ 47,656	\$ 47,670
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	77,513	82,017	81,559	81,641	81,724	81,808	81,892
OTHER FUNDS.....	12,276	11,303	11,653	10,653	11,653	10,653	11,653
DEPARTMENT TOTAL.....	<u><u>\$ 131,649</u></u>	<u><u>\$ 141,421</u></u>	<u><u>\$ 140,826</u></u>	<u><u>\$ 139,922</u></u>	<u><u>\$ 141,019</u></u>	<u><u>\$ 140,117</u></u>	<u><u>\$ 141,215</u></u>

Program: Drug and Alcohol Abuse Prevention and Treatment

Goal: To provide education, intervention and treatment programs to reduce drug, alcohol and gambling addiction, abuse and dependence.

The Department of Drug and Alcohol Programs is tasked with the development and implementation of a comprehensive state plan to reduce substance abuse and dependency through quality prevention, intervention, rehabilitation and treatment programs. The department provides education on the effects of drug and alcohol abuse and the dangers abuse and dependency pose to public health in an effort to mitigate the economic and health impact of substance abuse on the citizens of Pennsylvania.

In addition to state funding, the department receives federal and compulsive and problem gambling treatment funds for drug and alcohol treatment services. The department provides county-based agencies with funding to deliver or purchase drug and alcohol services, including treatment services for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities prepare prevention, intervention and treatment plans tailored to meet the needs of their respective communities. The department approves these plans and formulates a statewide plan based on those findings.

Statewide prevention programs provide current information on the effects of drugs and alcohol and assist individuals in developing or improving skills that will enable them to choose a lifestyle free of substance abuse. This is done through educational sessions, workshops, media presentations and an information clearinghouse operated by the department. Primary emphasis has been given to youth, and a special curriculum is now used in all school districts to address drug and alcohol problems.

Intervention services provide support to individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and employee and student assistance programs.

Surveys and inspections of drug and alcohol program facilities are conducted to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support.

Treatment services are funded in hospitals, prisons, residential facilities and outpatient programs. Treatment often consists of short-term detoxification followed by longer term rehabilitation. Most treatment services are rendered in a non-hospital setting, as partial hospitalization, or in some level of outpatient services. Outpatient services often follow discharge from a residential program; however, it is not uncommon for an individual to receive their initial treatment in an outpatient setting.

Drug and alcohol education and training programs are provided for substance abuse and human services professionals. Issues such as prevention, intervention and treatment are addressed through a variety of educational initiatives.

The department also provides public education, awareness and training regarding both the problem of compulsive and problem gambling and its treatment and prevention with the income it receives from the Compulsive and Problem Gambling Treatment Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 263	—to continue current program.
—750	—nonrecurring project.
\$ —487	<i>Appropriation Decrease</i>

Assistance to Drug and Alcohol Programs is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 628	\$ 1,869	\$ 1,382	\$ 1,396	\$ 1,410	\$ 1,424	\$ 1,438
Assistance to Drug and Alcohol Programs	41,232	46,232	46,232	46,232	46,232	46,232	46,232
TOTAL GENERAL FUND	\$ 41,860	\$ 48,101	\$ 47,614	\$ 47,628	\$ 47,642	\$ 47,656	\$ 47,670

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Drug and Alcohol Abuse Prevention and Treatment							
Objective: Provide drug and alcohol treatment services.							
Admissions to treatment	49,347	52,540	51,575	50,625	49,695	48,780	47,885
Average length of outpatient treatment (days)	65	65	65	65	65	65	65
Average length of inpatient treatment (days)	15	15	15	15	15	15	15
Licensure and/or Federal Certification Surveys Completed							
Residential drug and alcohol programs licensed/approved	179	179	179	179	179	179	179
Nonresidential drug and alcohol programs licensed/approved	495	495	495	495	495	495	495



DEPARTMENT OF EDUCATION

The mission of the Department of Education is to academically prepare children and adults to succeed as productive citizens. The department seeks to ensure that the technical support, resources and opportunities are in place for all students, whether children or adults, to receive a high quality education.

The department establishes standards and measures aimed at continuous improvement of school curriculum and manages staff development and research dissemination systems to ensure that all educational institutions can select from proven practices to boost student achievement. Local school districts, school boards and other educational institutions receive technical assistance via a network of Intermediate Units. The department operates a major research library and leads the development of the state's public, school, academic and special libraries to meet the information, education and enrichment needs of citizens. The department supports the improvement of Pennsylvania's higher education and community colleges via educational programs, funding to support students and direct resources for facility development.

Programs and Goals

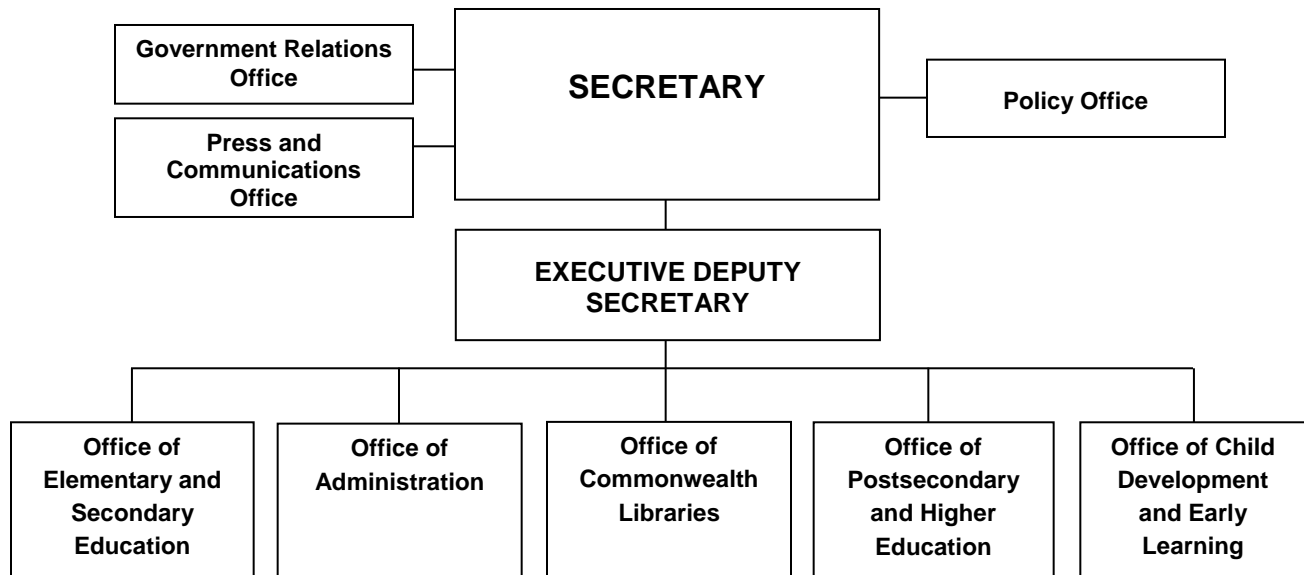
Education Support Services: *To provide an effective administrative system through which the substantive programs of the agency can be achieved.*

PreK–12 Education (Basic Education): *To prepare all students to graduate high school college-ready and career-ready and to be engaged citizens of the commonwealth.*

Library Services: *To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.*

Higher Education: *To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.*

Organization Overview



- **Office of Elementary and Secondary Education** is responsible for statewide development, administration and improvement of public and nonpublic schools that serve students in kindergarten through the 12th grade. The major components are general education, career and technical education, special education, professional development, community and student support services and school services.
- **Office of Administration** is responsible for all administrative and managerial staff functions of the department. These include budgeting and fiscal management, personnel, information systems and data resource management.
- **Office of Commonwealth Libraries** operates a major research library and leads the development of the state's public, school, academic and special libraries to meet the information, education and enrichment needs of its residents.
- **Office of Postsecondary and Higher Education** participates in long-range planning for higher education in Pennsylvania; consults with the State Board of Education on the development of regulations to assure quality postsecondary and higher education programs; oversees the authorization of degree-granting institutions and the licensure of career and trade schools; oversees the certification of teachers; coordinates the approval of academic programs as required; coordinates approval of institutions to process veterans benefits; and provides direction and coordination for adult basic and literacy education.
- **Office of Child Development and Early Learning** is focused on creating opportunities for the commonwealth's youngest children to develop and learn to their fullest potential.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
590	544	551	535	529

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:**General Government:**

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
General Government Operations.....	\$ 23,534	\$ 24,088^a	\$ 26,496
(F)Adult Basic Education - Administration	945	1,297	1,100
(F)Education of Exceptional Children.....	10,000	10,000	10,000
(F)Special Education - State Personnel Development.....	2,394	2,394	2,394
(F)ESEA - Title I - Administration.....	12,000	12,000	12,333
(F)State Approving Agency (VA).....	1,660	1,660	1,660
(F)Food and Nutrition Service.....	14,504	17,580	20,505
(F)Migrant Education - Administration	625	700	700
(F)Vocational Education - Administration.....	3,910	3,910	3,910
(F)Improving Teacher Quality - Title II - Administration/State.....	5,400	5,400	5,400
(F)Homeless Assistance.....	4,275	4,275	4,275
(F)Preschool Grant.....	750	787	787
(F)School Health Education Programs	450	450	450
(F)Advanced Placement Testing	1,222	700	700
(F)Medical Assistance - Nurses' Aide Training.....	300	300	340
(F)State and Community Highway Safety.....	987	987	987
(F)Title IV - 21st Century Community Learning Centers - Admin.....	4,000	4,000	4,000
(F)National Assessment of Educational Progress (NAEP).....	148	148	148
(F)Striving Readers.....	50,156	50,156	50,156
(F)Refugee School Impact Development (EA).....	834	750	750
(F)Migrant Education Coordination Program.....	130	130	130
(F)College Access Challenge Grant Program.....	7,870	3,700	0
(F)School Improvement Grants.....	60,000	60,000	60,000
(F)School Climate Transformation Grant.....	328	0	0
(F)WIA - Dislocated Workers Incentive Grant (EA).....	325	0	0
(F)Live Healthy PA (EA).....	129	95	0
(F)School Emergency Management Program.....	990	352	0
(F)Pennsylvania Project AWARE.....	1,950	1,950	0
(F)Preventative Health and Health Services (EA).....	250	250	0
(F)WIA Incentive Grant - Workforce Systems (EA).....	1,434	1,093	0
(F)Preschool Development Grants.....	0	30,000	30,000
(F)Child Nutrition - Administration (EA).....	138	138	0
(F)WIA - PA STEM Competition (EA).....	75	38	0
(F)Enhanced Assessment Instruments.....	0	6,000	6,000
(A)Management Services	22	18	18
(A)Approved Private Schools.....	446	456	516
(A)National Center for Educational Statistics.....	6	6	6
(A)Teenage Parenting.....	1,947	1,947	1,947
(A)EPSDT Administration	1,690	2,141	2,141
(A)Services to Nonpublic Schools - Administration.....	863	863	988
(A)National Assn. of State Boards of Education.....	10	11	11
(A)Teacher Certification Fees.....	432	539	1,363
(A)Nonpublic Textbook Administration.....	651	1,023	1,103
(A)Improving Early Learning Outcomes.....	12	0	0
(A)Alternative Education.....	0	119	119
Subtotal.....	\$ 217,792	\$ 252,451	\$ 251,433
Office of Safe Schools Advocate.....	388^b	387	402
Information and Technology Improvement.....	4,000	4,000	4,000
(F)ARRA - Statewide Longitudinal Data Systems.....	3,746	0	0
(F)Statewide Longitudinal Data Systems.....	0	7,000	4,000
PA Assessment.....	58,291	58,300	59,330
(F)Title VI - Part A State Assessments.....	16,000	16,000	16,000
Subtotal.....	\$ 82,425	\$ 85,687	\$ 83,732
State Library.....	1,957	1,927^c	2,132
(F)LSTA - Library Development.....	8,500	8,500	8,500
(A)Penalties and Reimbursements.....	1	1	1

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(A) Photocopy Service.....	1	1	1
(A) Keystone Fund.....	99	91	94
Subtotal.....	\$ 10,558	\$ 10,520	\$ 10,728
Subtotal - State Funds.....	\$ 88,170	\$ 88,702	\$ 92,360
Subtotal - Federal Funds.....	216,425	252,740	245,225
Subtotal - Augmentations.....	6,180	7,216	8,308
Total - General Government.....	\$ 310,775	\$ 348,658	\$ 345,893
Institutional:			
Youth Development Centers - Education.....	\$ 7,930	\$ 7,929	\$ 7,932
Subtotal.....	\$ 7,930	\$ 7,929	\$ 7,932
Grants and Subsidies:			
Support of Public Schools:			
Basic Education Funding.....	\$ 5,730,079 ^d	\$ 6,106,969 ^d	\$ 6,306,969
Pre-K Counts.....	97,284	147,284 ^e	197,284
Head Start Supplemental Assistance.....	39,178	49,178 ^f	59,178
Mobile Science and Math Education Programs.....	1,864	0	0
Teacher Professional Development.....	6,459	7,460 ^g	7,460
Adult and Family Literacy.....	12,075	12,075	14,675
(F) Adult Basic Education - Local.....	20,500	21,000	20,728
Career and Technical Education.....	62,000	70,003 ^h	85,003
(F) Vocational Education Act - Local.....	49,000	49,000	49,000
Career and Technical Education Equipment Grants.....	3,000	3,000	5,000
Authority Rentals and Sinking Fund Requirements.....	306,198	281,850 ⁱ	306,198
Pupil Transportation.....	546,677	549,097	562,991
Nonpublic and Charter School Pupil Transportation.....	78,614	80,009	80,224
Special Education.....	1,046,815	1,096,815 ^j	1,146,815
(F) Individuals with Disabilities Education - Local.....	457,000	457,000	462,000
Early Intervention.....	237,516	237,516	237,516
(F) Individuals with Disabilities Education.....	16,000	16,000	16,000
Tuition for Orphans and Children Placed in Private Homes.....	48,506	48,506	48,506
Payments in Lieu of Taxes.....	163	164	164
Education of Migrant Laborers' Children.....	853	853	853
PA Charter Schools for the Deaf and Blind.....	42,809	44,881	47,561
Special Education - Approved Private Schools.....	95,347	101,907	107,991
School Food Services.....	32,488	31,988	32,488
(F) Food and Nutrition - Local.....	673,462	695,704	717,946
School Employees' Social Security.....	515,772	437,023	536,082
School Employees' Retirement.....	1,157,853	1,438,687 ^k	1,503,375
(A) Tobacco and Health Venture Investment Account.....	225,000	0	0
Subtotal.....	\$ 11,502,512	\$ 11,983,969	\$ 12,552,007
(F) ESEA - Title I - Local.....	625,000	625,000	625,000
(F) Improving Teacher Quality - Title II - Local.....	130,000	130,000	130,000
(F) Title IV 21st Century Community Learning Centers - Local.....	90,000	90,000	90,000
(F) Title III - Language Instruction for LEP & Immigrant Student.....	20,000	20,000	20,000
(F) Title VI - Rural & Low Income School - Local.....	1,700	1,700	1,700
(F) ARRA - ESEA - Title I - School Improvement.....	10,067	0	0
(F) Race to the Top.....	30,939	16,977	355
(F) TANF - Teenage Parenting Education (EA).....	11,094	11,094	11,094
(F) Teenage Parenting - Food Stamps (EA).....	863	863	863
(F) Early Learning Challenge Grant (EA).....	2,761	2,570	1,700
Subtotal.....	\$ 922,424	\$ 898,204	\$ 880,712
Other Grants and Subsidies:			
Services to Nonpublic Schools.....	86,384	91,660 ^l	94,662

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Textbooks, Materials and Equipment for Nonpublic Schools.....	26,278	27,883 ^m	28,796
Public Library Subsidy.....	53,507	54,470	55,647
Library Services for the Visually Impaired and Disabled.....	2,567	2,567	2,670
Library Access.....	3,071	3,071	3,071
Job Training and Education Programs.....	10,500	0	0
Safe School Initiative.....	8,522	8,527	8,527
Subtotal.....	\$ 190,829	\$ 188,178	\$ 193,373
Higher Education - Other Grants and Subsidies:			
Community Colleges.....	215,667	226,450 ⁿ	237,773
Transfer to Community College Capital Fund.....	48,869	48,869	48,869
Regional Community Colleges Services.....	2,400	2,400 ^o	2,400
Higher Education Assistance.....	0	0	1,000
Community Education Councils.....	2,300	2,300	2,350
Thaddeus Stevens College of Technology.....	12,332	12,949 ^p	13,596
Subtotal.....	\$ 281,568	\$ 292,968	\$ 305,988
State System of Higher Education:			
State Universities.....	412,751	433,389 ^q	455,058
Subtotal.....	\$ 412,751	\$ 433,389	\$ 455,058
The Pennsylvania State University:			
General Support.....	214,110	224,816 ^r	236,057
Pennsylvania College of Technology.....	17,584	19,584 ^s	20,563
Subtotal.....	\$ 231,694	\$ 244,400	\$ 256,620
University of Pittsburgh:			
General Support.....	133,993	140,693 ^t	147,728
Rural Education Outreach.....	2,300	2,500 ^u	2,625
Subtotal.....	\$ 136,293	\$ 143,193	\$ 150,353
Temple University:			
General Support.....	139,917	146,913 ^v	154,259
Subtotal.....	\$ 139,917	\$ 146,913	\$ 154,259
Lincoln University:			
General Support.....	13,163	14,084 ^w	14,788
Subtotal.....	\$ 13,163	\$ 14,084	\$ 14,788
Subtotal - State Funds.....	\$ 11,467,765	\$ 12,208,390	\$ 12,816,772
Subtotal - Federal Funds.....	2,138,386	2,136,908	2,146,386
Subtotal - Augmentations.....	225,000	0	0
Total - Grants and Subsidies.....	\$ 13,831,151	\$ 14,345,298	\$ 14,963,158
STATE FUNDS.....	\$ 11,563,865	\$ 12,305,021	\$ 12,917,064
FEDERAL FUNDS.....	2,354,811	2,389,648	2,391,611
AUGMENTATIONS.....	231,180	7,216	8,308
GENERAL FUND TOTAL.....	\$ 14,149,856	\$ 14,701,885	\$ 15,316,983
MOTOR LICENSE FUND:			
Grants and Subsidies:			
Safe Driving Course.....	\$ 1,100	\$ 1,100	\$ 1,100

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Private Licensed Schools.....	\$ 778	\$ 949	\$ 959
Empowerment School Districts.....	7,680	4,500	4,500
Medical Assistance Reimbursements.....	92,117	195,000	200,000
School Employees' Retirement.....	0	280,313	560,625
GENERAL FUND TOTAL.....	\$ 100,575	\$ 480,762	\$ 766,084
COMMUNITY COLLEGE CAPITAL FUND:			
Community College Capital	\$ 0 x	\$ 0 x	\$ 0 x
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Governor Casey Organ and Tissue Donation Awareness Fund (EA).....	\$ 200	\$ 200	\$ 200
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Local Libraries Rehabilitation and Development (EA).....	\$ 3,013	\$ 2,902	\$ 3,815
SSHE - Deferred Maintenance (EA).....	13,560	13,059	17,169
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 16,573	\$ 15,961	\$ 20,984
PROPERTY TAX RELIEF FUND:			
Property Tax Relief Payments (EA).....	\$ 616,192	\$ 616,500	\$ 616,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 11,563,865	\$ 12,305,021	\$ 12,917,064
SPECIAL FUNDS.....	1,100	1,100	1,100
FEDERAL FUNDS.....	2,354,811	2,389,648	2,391,611
AUGMENTATIONS.....	231,180	7,216	8,308
OTHER FUNDS.....	733,540	1,113,423	1,403,768
TOTAL ALL FUNDS.....	\$ 14,884,496	\$ 15,816,408	\$ 16,721,851

^a Includes recommended supplemental appropriation of \$1,791,000.

^b Appropriated in Executive Offices.

^c Includes recommended supplemental appropriation of \$95,000.

^d Includes recommended supplemental appropriation of \$3,324,430,000. 2014-15 Actual includes \$3,950,000 appropriated as Basic Ed Formula Enhancements and \$200,000,000 appropriated as Ready to Learn Block Grant. 2015-16 Available includes \$250,000,000 appropriated as Ready to Learn Block Grant.

^e Includes recommended supplemental appropriation of \$25,000,000.

^f Includes recommended supplemental appropriation of \$5,000,000.

^g Includes recommended supplemental appropriation of \$1,001,000.

^h Includes recommended supplemental appropriation of \$8,003,000.

ⁱ Includes recommended supplemental appropriation of \$281,850,000.

^j Includes recommended supplemental appropriation of \$20,000,000.

^k Includes recommended appropriation reduction of \$286,313,000.

^l Includes recommended supplemental appropriation of \$3,721,000.

^m Includes recommended supplemental appropriation of \$1,132,000.

ⁿ Includes recommended supplemental appropriation of \$10,783,000.

^o Includes recommended supplemental appropriation of \$2,400,000.

^p Includes recommended supplemental appropriation of \$617,000.

Summary by Fund and Appropriation

^q Includes recommended supplemental appropriation of \$20,638,000.

^r Includes recommended supplemental appropriation of \$224,816,000.

^s Includes recommended supplemental appropriation of \$19,584,000.

^t Includes recommended supplemental appropriation of \$140,693,000.

^u Includes recommended supplemental appropriation of \$2,500,000.

^v Includes recommended supplemental appropriation of \$146,913,000.

^w Includes recommended supplemental appropriation of \$14,084,000.

^x Not added to the total to avoid double counting: 2014-15 Actual is \$48,869,000, 2015-16 Available is \$48,869,000, and 2016-17 Budget is \$48,869,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 27,534	\$ 28,088	\$ 30,496	\$ 30,761	\$ 31,029	\$ 31,299	\$ 31,572
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	131,925	168,240	160,725	160,731	160,738	156,746	156,753
OTHER FUNDS.....	6,857	8,072	9,171	9,195	9,220	9,246	9,272
SUBCATEGORY TOTAL.....	<u>\$ 166,316</u>	<u>\$ 204,400</u>	<u>\$ 200,392</u>	<u>\$ 200,687</u>	<u>\$ 200,987</u>	<u>\$ 197,291</u>	<u>\$ 197,597</u>
BASIC EDUCATION							
GENERAL FUND.....	\$ 10,259,843	\$ 10,939,951	\$ 11,485,982	\$ 12,070,558	\$ 12,558,556	\$ 13,034,733	\$ 13,422,090
SPECIAL FUNDS.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS.....	2,214,386	2,212,908	2,222,386	2,220,331	2,220,331	2,220,331	2,220,331
OTHER FUNDS.....	941,189	1,096,513	1,381,825	1,381,825	1,381,825	1,381,825	1,381,825
SUBCATEGORY TOTAL.....	<u>\$ 13,416,518</u>	<u>\$ 14,250,472</u>	<u>\$ 15,091,293</u>	<u>\$ 15,673,814</u>	<u>\$ 16,161,812</u>	<u>\$ 16,637,989</u>	<u>\$ 17,025,346</u>
LIBRARY SERVICES							
GENERAL FUND.....	\$ 61,102	\$ 62,035	\$ 63,520	\$ 63,541	\$ 63,563	\$ 63,585	\$ 63,607
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	8,500	8,500	8,500	8,500	8,500	8,500	8,500
OTHER FUNDS.....	3,114	2,995	3,911	4,182	4,324	4,401	4,455
SUBCATEGORY TOTAL.....	<u>\$ 72,716</u>	<u>\$ 73,530</u>	<u>\$ 75,931</u>	<u>\$ 76,223</u>	<u>\$ 76,387</u>	<u>\$ 76,486</u>	<u>\$ 76,562</u>
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,215,386	\$ 1,274,947	\$ 1,337,066	\$ 1,401,188	\$ 1,487,404	\$ 1,487,404	\$ 1,487,404
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	13,560	13,059	17,169	18,389	19,024	19,374	19,615
SUBCATEGORY TOTAL.....	<u>\$ 1,228,946</u>	<u>\$ 1,288,006</u>	<u>\$ 1,354,235</u>	<u>\$ 1,419,577</u>	<u>\$ 1,506,428</u>	<u>\$ 1,506,778</u>	<u>\$ 1,507,019</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 11,563,865	\$ 12,305,021	\$ 12,917,064	\$ 13,566,048	\$ 14,140,552	\$ 14,617,021	\$ 15,004,673
SPECIAL FUNDS.....	1,100	1,100	1,100	1,100	1,100	1,100	1,100
FEDERAL FUNDS.....	2,354,811	2,389,648	2,391,611	2,389,562	2,389,569	2,385,577	2,385,584
OTHER FUNDS.....	964,720	1,120,639	1,412,076	1,413,591	1,414,393	1,414,846	1,415,167
DEPARTMENT TOTAL.....	<u><u>\$ 14,884,496</u></u>	<u><u>\$ 15,816,408</u></u>	<u><u>\$ 16,721,851</u></u>	<u><u>\$ 17,370,301</u></u>	<u><u>\$ 17,945,614</u></u>	<u><u>\$ 18,418,544</u></u>	<u><u>\$ 18,806,524</u></u>

Program: Education Support Services

Goal: To provide an effective administrative system through which the substantive programs of the agency can be achieved.

Education Support Services provides operational support to programs within the Department of Education to support the achievement of departmental and commonwealth objectives. The program seeks to provide robust services while minimizing costs of services provided, and to improve the operational efficiency of operating departments through enhanced information technology support and improved fiscal applications.

In addition to providing operational support to the executive, budget, communications and legal offices of the department, this program also provides staff support to the State Board of Education and other administrative boards and commissions. These include boards for private, academic, business, trade and correspondence schools and the Professional Standards and Practices Commission.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		General Government Operations
\$	1,861	—to continue current program.
	296	—Initiative—School Improvement and Turnaround. To provide direct assistance to schools identified as persistently low-achieving and assist those schools with improving student performance.
	251	—Initiative—Financial Watch. To provide sufficient resources to monitor school districts and determine if school districts are placed in financial watch status.
\$	2,408	<i>Appropriation Increase</i>

The Information and Technology Improvement appropriation is recommended at the current year funding level.

This budget recommends an additional \$766,000 in augmentations provided through an increase in teacher certification fees to provide for timely review and resolution of educator misconduct complaints.

In addition, this budget proposes \$333,000 in federal funds as part of the School Improvement and Turnaround Initiative.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 23,534	\$ 24,088	\$ 26,496	\$ 26,761	\$ 27,029	\$ 27,299	\$ 27,572
Information and Technology Improvement	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND	\$ 27,534	\$ 28,088	\$ 30,496	\$ 30,761	\$ 31,029	\$ 31,299	\$ 31,572

Program: PreK–12 Education (Basic Education)

Goal: To prepare all students to graduate high school college-ready and career-ready and to be engaged citizens of the commonwealth.

Program Element: PreK-12 Education (Basic Education)

Pennsylvania's PreK-12 education system is designed to provide every child in the commonwealth with the skills they need to be college and career ready when they graduate from high school and to be active citizens and future leaders in our commonwealth, our nation and in the global economy.

Program Element: Basic Education Funding

Both the commonwealth and local school districts contribute to the financing of public elementary and secondary education for 1.763 million school children 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 and reduces differences in resources among districts.

The Basic Education Funding appropriation is the largest subsidy the commonwealth provides to local school districts. To increase academic achievement, school districts are encouraged to invest in evidence-based strategies, including high quality early childhood education, extended time learning, career and technical education aligned with high value occupational opportunities, professional development for teachers and hybrid and innovative learning options. The Department of Education supports school improvement and efficiency through targeted initiatives. In addition, the department provides support to schools and districts through its statewide system of support including technical assistance and support provided by intermediate units, targeted technical assistance provided by Academic Recovery Liaisons working directly with schools struggling with academic achievement, and materials, tools and resources made available to all schools and districts.

Program Element: Early Childhood Learning

High quality early learning for Pennsylvania's youngest learners is crucial for both their short-term and long-term academic and social success. The benefits of a strong foundation in early childhood education have been recognized as one of the best economic development investments 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 income eligible Pennsylvania children in diverse settings, ranging from school-based programs, Keystone STARS 3 and 4 child care centers,

private academic preschools and Head Start agencies.

Head Start Supplemental Assistance Program.

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.

Program Element: College and Career Ready

Pennsylvania Core Standards. It is critically important that all Pennsylvania students graduate from high school, college-ready and career-ready. The commonwealth strives to help school districts create academic programs that are rigorous, results-focused, data informed and personalized in a way that is seamlessly supported by systems, resources, technology and shared leadership.

The State Board of Education has adopted academic standards in 12 subject areas. These standards are the benchmark measures that define what students should know and be able to do at specified grade levels beginning in grade three. In 2014, the State Board adopted new core standards in English Language Arts, Mathematics, and Reading and Writing in History/Social Studies and Science/Technology. As of 2015, the Pennsylvania State System of Assessments are now fully aligned to these new core standards. The assessments are given to students in grades three through eight. Keystone Exams in English Literature, Algebra I and Biology are given to students to assess academic achievement in high school. Keystone Exams are end of course exams and aligned to the PA Core Standards.

To better support student achievement of college and career standards, students and teachers have access to the Standards Aligned System, a web-based portal created and maintained by the department, which contains standards-aligned curriculum, instructional resources and assessment information and tools.

Career and Technical Education. Career and Technical Education serves 65,858 secondary students enrolled in Department of Education approved career and technical education programs at high schools, charter schools, and career and technical centers. Career and Technical Education programs are required to provide rigorous academic coursework to students while delivering skilled technical education designed in collaboration with workers and employers in high-demand occupations and industries. Career and Technical Education students have the opportunity to pursue career pathways in which

Program: PreK-12 Education (continued)

students can earn high-value industry certifications and college credits through dual enrollment with postsecondary providers. Career and Technical Education is carefully aligned to career-specific skills and training leading to occupational opportunities.

Program Element: Special Education

Special education serves 270,848 school-aged students in Pennsylvania school districts, charter schools, intermediate units, approved private schools and private residential facilities (excluding gifted students).

Public school special education programs are

administered by all school districts and charter schools, and may be directly operated by the districts or under contract 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 agencies.

State funds are also provided to serve 50,817 students aged three to five in Early Intervention programs and 3,464 students in Approved Private Schools/Charter Schools for the Deaf and Blind.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			Career and Technical Education Equipment Grants		
\$	15	Office of Safe Schools Advocate —to continue current program.	\$	5,000	—Initiative—Jobs that Pay. To provide additional resources for equipment purchases to prepare students for high-skill careers.
\$	1,030	PA Assessment —to continue current program.		—3,000	—funding reduction.
\$	3	Youth Development Centers — Education —to continue current program.	\$	2,000	<i>Appropriation Increase</i>
\$	200,000	Basic Education Funding —Initiative—Schools that Teach. To provide a 3.3 percent increase for school district basic education programs in order to invest in education and restore budget cuts.	\$	24,348	Authority Rentals and Sinking Fund Requirements —to continue current program.
\$	50,000	Pre-K Counts —Initiative—Schools that Teach. To provide a down payment on Pennsylvania’s plan for universal high-quality Pre-K education for 3- and 4-year-olds by creating 7,400 additional slots together with the Head Start Supplemental Assistance Program.	\$	215	Pupil Transportation —to continue current program.
\$	10,000	Head Start Supplemental Assistance —Initiative—Schools that Teach. To provide a down payment on Pennsylvania’s plan for universal high-quality Pre-K education for 3- and 4-year-olds by creating 7,400 additional slots together with Pre-K Counts.	\$	50,000	Nonpublic and Charter School Pupil Transportation —to continue current program.
\$	3,000	Adult and Family Literacy —Initiative—Jobs that Pay. To provide funds for adult literacy as part of comprehensive workforce development.	\$	6,084	Special Education —Initiative—Schools that Teach. To provide increased resources for special education instruction based on the Special Education Funding Commission’s formula.
	—400	—funding reduction.	\$	500	PA Charter Schools for the Deaf and Blind —to continue current program.
\$	2,600	<i>Appropriation Increase</i>	\$	99,059	Special Education-Approved Private Schools —to continue current program.
\$	15,000	Career and Technical Education —Initiative—Jobs that Pay. To establish and strengthen programs that prepare students for high-skill careers.	\$	64,688	School Food Services —to continue current program.
			\$	3,002	School Employees’ Social Security —to continue current program.
					School Employees’ Retirement —to continue current program.
					Services to Nonpublic Schools —Initiative—Schools that Teach. To provide a 3.3 percent increase in state support.

Program: PreK–12 Education (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

Textbooks, Materials and Equipment for Nonpublic Schools
 \$ 913 —Initiative—Schools that Teach. To provide a 3.3 percent increase in state support.

**MOTOR LICENSE FUND
 Safe Driving Course**

The Safe Driving Course appropriation is recommended at the current year funding level.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Office of Safe Schools Advocate	\$ 388	\$ 387	\$ 402	\$ 406	\$ 410	\$ 414	\$ 418
PA Assessment.....	58,291	58,300	59,330	59,330	59,330	59,330	59,330
Youth Development Centers - Education ..	7,930	7,929	7,932	7,932	7,932	7,932	7,932
Basic Education Funding.....	5,730,079	6,106,969	6,306,969	6,506,969	6,706,969	6,906,969	7,106,969
Pre-K Counts.....	97,284	147,284	197,284	247,284	297,284	347,284	397,284
Head Start Supplemental Assistance	39,178	49,178	59,178	59,178	59,178	59,178	59,178
Mobile Science and Math Education Programs	1,864	0	0	0	0	0	0
Teacher Professional Development.....	6,459	7,460	7,460	7,460	7,460	7,460	7,460
Adult and Family Literacy	12,075	12,075	14,675	14,675	14,675	14,675	14,675
Career and Technical Education.....	62,000	70,003	85,003	85,003	85,003	85,003	85,003
Career and Technical Education Equipment Grants	3,000	3,000	5,000	5,000	5,000	5,000	5,000
Authority Rentals and Sinking Fund Requirements.....	306,198	281,850	306,198	306,198	306,198	306,198	306,198
Pupil Transportation.....	546,677	549,097	562,991	568,621	574,307	580,050	585,851
Nonpublic and Charter School Pupil Transportation	78,614	80,009	80,224	81,026	81,837	82,655	83,481
Special Education.....	1,046,815	1,096,815	1,146,815	1,186,815	1,226,815	1,266,815	1,306,815
Early Intervention.....	237,516	237,516	237,516	237,516	237,516	237,516	237,516
Tuition for Orphans and Children Placed in Private Homes.....	48,506	48,506	48,506	48,506	48,506	48,506	48,506
Payments in Lieu of Taxes.....	163	164	164	164	164	164	164
Education of Migrant Laborers' Children ...	853	853	853	853	853	853	853
PA Charter Schools for the Deaf and Blind	42,809	44,881	47,561	50,271	52,463	54,673	56,901
Special Education - Approved Private Schools	95,347	101,907	107,991	114,145	119,121	124,140	129,199
School Food Services.....	32,488	31,988	32,488	32,488	32,488	32,488	32,488
School Employees' Social Security	515,772	437,023	536,082	541,443	546,857	552,326	557,849
School Employees' Retirement	1,157,853	1,438,687	1,503,375	1,773,375	1,948,375	2,111,375	2,185,375
Services to Nonpublic Schools.....	86,384	91,660	94,662	97,664	100,666	103,667	106,669
Textbooks, Materials and Equipment for Nonpublic Schools	26,278	27,883	28,796	29,709	30,622	31,535	32,449
Job Training and Education Programs	10,500	0	0	0	0	0	0
Safe School Initiative	8,522	8,527	8,527	8,527	8,527	8,527	8,527
TOTAL GENERAL FUND	\$ 10,259,843	\$ 10,939,951	\$11,485,982	\$12,070,558	\$ 12,558,556	\$ 13,034,733	\$13,422,090
MOTOR LICENSE FUND:							
Safe Driving Course	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100

Program: Library Services

Goal: To provide and improve library services to citizens of the commonwealth, special libraries and government agencies and employees.

The proposed 2016-17 budget offers a variety of valued public library services to all Pennsylvanians.

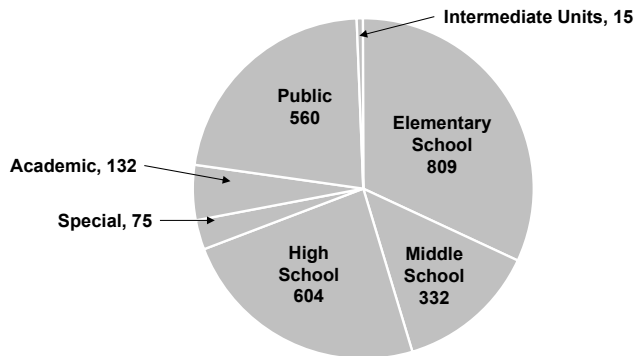
Public Library Subsidy. The commonwealth helps defray the cost of basic operations of Pennsylvania's more than 600 local public libraries that had 41.5 million visitors who borrowed 62.9 million books and other materials. Through participation in this program, libraries provide a common denominator of 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 provided almost 31 million 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 more than 2,500 Pennsylvania school, public, college, university and special libraries and intermediate units. 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. More than 89,000 Pennsylvanians made inquiries to professional reference libraries in 2014-15.

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 and over 1.4 million materials are borrowed annually.

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. Approximately 182,000 materials are accessed annually from the State Library.

Program: Library Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 205	State Library —to continue current program.	\$ 103	Library Services for the Visually Impaired and Disabled —to continue current program.
\$ 1,177	Public Library Subsidy —to continue current program.		

The Library Access appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
State Library	\$ 1,957	\$ 1,927	\$ 2,132	\$ 2,153	\$ 2,175	\$ 2,197	\$ 2,219
Public Library Subsidy	53,507	54,470	55,647	55,647	55,647	55,647	55,647
Library Services for the Visually Impaired and Disabled	2,567	2,567	2,670	2,670	2,670	2,670	2,670
Library Access	3,071	3,071	3,071	3,071	3,071	3,071	3,071
TOTAL GENERAL FUND	\$ 61,102	\$ 62,035	\$ 63,520	\$ 63,541	\$ 63,563	\$ 63,585	\$ 63,607

Program: Higher Education

Goal: To promote access, affordability and performance in higher education through strategies to expand opportunity for students and align with employer needs, and to support the commonwealth's public institutions of higher education in achieving these goals.

Higher education in Pennsylvania is provided through 280 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, specialized

associate degree-granting institutions, and out-of-state institutions that are approved to offer course work for credit in Pennsylvania. Funding for these institutions is through appropriations and state-funded student grant programs administered by the Pennsylvania Higher Education Assistance Agency.

Table 1
Full-Time Enrollments
at State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
State System of Higher Education.....	102,322	100,521	100,850	101,270	101,904	102,468	102,938
Community Colleges	89,807	89,623	90,314	91,497	92,405	92,958	93,528
State-Related Universities	164,075	165,907	167,745	170,262	172,825	175,779	179,168
Thaddeus Stevens College of Technology	842	925	973	1,052	1,112	1,112	1,112
TOTAL	357,046	356,976	359,882	364,081	368,246	372,317	376,746

Program Element: Institutional Support for Pennsylvania's Institutions of Higher Education

State System of Higher Education. Funding for the 14 universities of the State System of Higher Education is distributed through the Office of the Chancellor to the individual universities in accordance with a formula that consists of student enrollment, programs of the school, performance measures, and the operational cost of the individual campuses. Although each university has an individual mission, they all provide a broad liberal arts curriculum and most offer the master degree level of study in their programs.

Community Colleges. Funding is shared by sponsoring counties or school districts, students through tuition payments, and the commonwealth. Commonwealth appropriations are calculated to include base operating funding, enrollment growth, and economic development programs that focus on high-priority occupations. The colleges offer two-year liberal arts curricula, two-year programs in technologies and other programs in career areas that culminate in an associate degree, certificate, or diploma. Noncredit workforce development courses are also offered that provide students with training geared towards immediate entry into the workforce.

State-Related Universities. Funding for the four state-related universities — the Pennsylvania State University, the University of Pittsburgh, Temple University and Lincoln

University — provides basic support for educational programs. The first three universities are major research universities that provide programs up to the doctoral level in varied academic disciplines and professional schools. The fourth, Lincoln University, provides programs in numerous disciplines at the baccalaureate and master degree levels.

Thaddeus Stevens College of Technology. The college provides two-year, technical education programs for qualified students. These programs are provided both on a tuition basis and at no cost for financially disadvantaged students. Thaddeus Stevens is dedicated to growing Pennsylvania's technical workforce and preparing students for high demand jobs within the commonwealth.

Impact: Number of Degrees Awarded

The state-supported universities and colleges graduated 85,519 students in 2014-15 with degrees ranging from the two-year associate degree to doctoral and professional degrees.

Program Element: Decreasing Time and Cost to College Completion

To better serve the need of all students, the Department of Education administers a statewide college credit transfer system that enables students to transfer courses and associate degrees among 36 participating colleges and universities in Pennsylvania, including all of the

Program: Higher Education (continued)

Table 2
Higher Education Degrees Awarded
by State-Supported Institutions of Higher Education
(Actual and Projected)

Institutional Category	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
State-Supported:							
State System of Higher Education.....	26,071	26,113	26,110	26,344	26,456	26,613	26,718
Community Colleges	17,130	17,198	17,361	17,533	17,805	18,152	18,471
State-Related Universities	42,043	42,264	43,075	43,734	43,938	44,551	45,340
Thaddeus Stevens College of Technology	275	305	336	341	343	393	393
TOTAL	85,519	85,880	86,882	87,952	88,542	89,709	90,922

commonwealth's community colleges, State System of Higher Education institutions and state-related institutions.

Program Element: Diversity in Disciplines

The diversity of enrollments by discipline will shape the future of higher education. Enrollments in career-oriented disciplines such as business management, computer information systems, allied health professions and majors in the STEM fields — science, technology, engineering and math — are increasing. Providing access to these professions is vital to ensuring the long-term economic health of the commonwealth.

Program Element: Support for Minority Students

In 1996, the Pennsylvania Department of Education and the United States Department of Education, Office of Civil Rights, embarked on a cooperative agreement designed to assess and address the continued challenges in providing higher education opportunities for African American students. The 2016-17 budget continues operating support for Cheyney and Lincoln Universities, funding is also included in the capital budget for infrastructure improvements.

Program Element: Research

An essential ingredient for a healthy economy and the creation of new jobs in any region is the existence

of vigorous research universities. Regions with the most dynamic economies are those where research and development investments have been significant. The continued state general support for research at Pennsylvania State University, University of Pittsburgh and Temple University not only provides new ideas, technologies and products to industry but also educates and motivates graduates to turn those ideas, technologies and products into industry and jobs.

Program Element: Support Services

The department provides leadership and support services to all sectors of higher education. Responsibilities include acting as a liaison with the national accrediting agencies, the State Board of Education, the State Board of Private Licensed Schools and other governing boards; policy review and development based on comprehensive planning and research; and implementation of the Higher Education Master Plan. The department also partners with other commonwealth agencies on workforce development strategies. Additionally, the department awards teaching certificates to those seeking certification in Pennsylvania.

Program: Higher Education (continued)

Table 3
Full-Time Enrollments by Subject Area
at State-Supported Institutions of Higher Education
(Actual and Projected)

Subject Area	Number & Percent of Total	2014-15 Actual	2015-16 Available	2016-17 Projected	2017-18 Projected	2018-19 Projected	2019-20 Projected	2020-21 Projected	Percent Change
Agricultural and Natural Resources	# %	4,067 1.14%	4,056 1.14%	4,088 1.14%	4,093 1.12%	4,099 1.11%	4,102 1.10%	4,106 1.09%	0.96%
Arts and Letters	# %	69,283 19.40%	69,936 19.59%	69,762 19.38%	70,045 19.24%	70,230 19.07%	70,320 18.89%	70,470 18.70%	1.71%
Business, Management and Data Processing	# %	52,023 14.57%	50,326 14.10%	50,778 14.11%	51,425 14.12%	52,081 14.14%	52,731 14.16%	53,416 14.18%	2.68%
Communications and Related Technologies	# %	13,294 3.72%	12,898 3.61%	12,904 3.59%	12,917 3.55%	12,942 3.51%	12,967 3.48%	13,000 3.45%	-2.21%
Computer and Information Sciences	# %	12,567 3.52%	12,449 3.49%	12,663 3.52%	13,003 3.57%	13,378 3.63%	13,772 3.70%	14,226 3.78%	13.20%
Education	# %	19,479 5.46%	19,689 5.52%	19,405 5.39%	19,141 5.26%	18,957 5.15%	18,757 5.04%	18,574 4.93%	-4.65%
Engineering, Architecture and Environmental Design	# %	22,921 6.42%	23,881 6.69%	24,491 6.81%	25,525 7.01%	26,382 7.16%	27,318 7.34%	28,334 7.52%	23.62%
Engineering Technologies and Related Technologies	# %	5,640 1.58%	5,900 1.65%	5,958 1.66%	6,058 1.66%	6,196 1.68%	6,349 1.71%	6,547 1.74%	16.08%
Health Professions, Health Sciences and Biological Sciences	# %	59,451 16.65%	59,641 16.71%	60,660 16.86%	61,749 16.96%	62,791 17.05%	63,796 17.13%	64,858 17.22%	9.09%
Home Economics, Human Services and Public Affairs	# %	33,816 9.47%	33,441 9.37%	33,574 9.33%	33,754 9.27%	33,998 9.23%	34,248 9.20%	34,492 9.16%	2.00%
Industrial, Repair, Construction and Transport Technologies	# %	4,148 1.16%	4,328 1.21%	4,387 1.22%	4,529 1.24%	4,644 1.26%	4,680 1.26%	4,725 1.25%	13.91%
Law	# %	3,242 0.91%	3,202 0.90%	3,188 0.89%	3,140 0.86%	3,092 0.84%	3,037 0.82%	2,983 0.79%	-7.99%
Physical Sciences, Mathematics and Related Technologies	# %	18,097 5.07%	19,015 5.33%	19,362 5.38%	19,690 5.41%	20,026 5.44%	20,371 5.47%	20,732 5.50%	14.56%
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	34,598 9.69%	33,681 9.44%	33,954 9.43%	34,110 9.37%	34,323 9.32%	34,535 9.28%	34,708 9.21%	0.32%
Multi-Interdisciplinary Studies/ Military Studies	# %	4,046 1.13%	4,141 1.16%	4,311 1.20%	4,502 1.24%	4,704 1.28%	4,927 1.32%	5,166 1.37%	27.68%
Basic Skills and Developmental/ Remedial Education	# %	364 0.10%	382 0.11%	387 0.11%	390 0.11%	393 0.11%	397 0.11%	399 0.11%	9.62%
High School/ Secondary Diplomas and Certificates	# %	10 0.00%	10 0.00%	10 0.00%	10 0.00%	10 0.00%	10 0.00%	10 0.00%	0.00%
TOTAL		357,046	356,976	359,882	364,081	368,246	372,317	376,746	5.52%

The State System of Higher Education previously reported undeclared students into the majors that are most commonly selected by students. In this reporting year, the system has moved undeclared degree seeking students into General Studies (Arts and Letters Subject Area) to be consistent with the State-Related Universities and Community Colleges.

Temple University is now reporting undeclared students for the previously reported Residency Programs in Health Professions, Health Sciences and Biological Sciences.

Program: Higher Education (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			
Community Colleges			University of Pittsburgh
\$	11,323	—Initiative—Jobs that Pay. To restore state funding for higher education and to improve college access and completion.	\$ 7,160 —Initiative—Jobs that Pay. To restore state funding for higher education and to improve college access and completion.
Higher Education Assistance			Temple University
\$	1,000	—to support colleges combating sexual assault with new reporting and training resources.	\$ 7,346 —Initiative—Jobs that Pay. To restore state funding for higher education and to improve college access and completion.
Community Education Councils			Lincoln University
\$	50	—to continue current program.	\$ 704 —Initiative—Jobs that Pay. To restore state funding for higher education and to improve college access and completion.
Thaddeus Stevens College of Technology			
\$	647	—Initiative—Jobs that Pay. To improve and expand technical higher education opportunities.	
State System of Higher Education			
\$	21,669	—Initiative—Jobs that Pay. To restore state funding for higher education and to improve college access and completion.	
The Pennsylvania State University			
\$	12,220	—Initiative—Jobs that Pay. To restore state funding for higher education and to improve college access and completion.	

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Community Colleges	\$ 215,667	\$ 226,450	\$ 237,773	\$ 249,662	\$ 265,890	\$ 265,890	\$ 265,890
Transfer to Community College							
Capital Fund.....	48,869	48,869	48,869	48,869	48,869	48,869	48,869
Regional Community Colleges Services ...	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Higher Education Assistance	0	0	1,000	1,000	1,000	1,000	1,000
Community Education Councils.....	2,300	2,300	2,350	2,350	2,350	2,350	2,350
Thaddeus Stevens College of Technology	12,332	12,949	13,596	14,276	15,204	15,204	15,204
State System of Higher Education.....	412,751	433,389	455,058	477,811	508,869	508,869	508,869
Pennsylvania State University	231,694	244,400	256,620	269,451	285,554	285,554	285,554
University of Pittsburgh.....	136,293	143,193	150,353	157,870	167,995	167,995	167,995
Temple University	139,917	146,913	154,259	161,972	172,737	172,737	172,737
Lincoln University	13,163	14,084	14,788	15,527	16,536	16,536	16,536
TOTAL GENERAL FUND	\$ 1,215,386	\$ 1,274,947	\$ 1,337,066	\$ 1,401,188	\$ 1,487,404	\$ 1,487,404	\$ 1,487,404

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: PreK-12 Education (Basic Education)							
Objective: Make high quality early learning programs available to Pennsylvania children, particularly those at risk of academic failure.							
Early Childhood Education							
School districts offering pre-kindergarten	82	82	82	82	82	82	82
Students enrolled in pre-kindergarten (excluding Head Start)	25,700	25,700	25,700	25,700	25,700	25,700	25,700
Students in state-funded Head Start Supplemental	4,781	5,800	6,700	6,700	6,700	6,700	6,700
Students in PA Pre-K Counts program	13,456	18,800	25,300	32,000	38,700	45,400	52,100
Early Intervention							
Number of children participating in Early Intervention	50,817	51,715	52,724	52,724	52,724	52,724	52,724
Children who met their individual goals and no longer need Early Intervention prior to school age	1,720	1,800	1,800	1,800	1,800	1,800	1,800
Children receiving early intervention in typical early childhood educational settings such as home, child care or Head Start	72%	72%	72%	72%	72%	72%	72%
Objective: Increase the number of K-12 students who acquire the essential skills in math, English, science and social studies by improving teacher effectiveness in all classrooms.							
Basic Education Targeted Investment							
Public school enrollment (K-12)	1,763,000	1,762,000	1,761,000	1,760,000	1,759,000	1,758,000	1,758,000
Secondary Education-College and Career Ready							
Percentage of high schools offering at least one Advanced Placement course	88%	89%	90%	91%	93%	94%	94%
Number of Advanced Placement tests given in high schools	35,805	39,386	43,324	47,657	52,422	57,664	57,664
Percentage of Advanced Placement tests with scores of "3" or higher demonstrating mastery of the course	73%	76%	79%	81%	84%	87%	87%
Accountability							
Percentage of CTE students proficient/advanced in mathematics PSSAs	79%	81%	83%	85%	88%	90%	90%
Percentage gains in mathematics PSSA proficiency from 5th to 8th grade-same students	2%	2%	2%	2%	2%	2%	2%
Percentage of students proficient/advanced in reading PSSAs	74%	77%	79%	82%	85%	87%	87%
Percentage gains in reading proficiency from 5th to 8th grade-same students	3%	3%	3%	3%	3%	3%	3%

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Special Education							
Pupils with disabilities enrolled in special education programs	269,400	269,400	269,400	269,400	269,400	269,400	269,400
Special education incidence rate	15%	15%	15%	15%	15%	15%	15%
Other Education Programs							
Nonpublic school enrollment	212,534	207,471	203,555	199,804	199,804	199,804	199,804

Objective: Increase collaboration between and among schools, postsecondary education and training and business/industry partners to align instruction with workforce needs and emphasize the value of career and technical skills.

Career & Technical (Vocational) Education

Career and Technical Education enrollment	65,858	66,153	66,448	66,743	67,038	67,333	67,628
Percentage of vocational education program completers	74%	76%	78%	80%	82%	84%	86%
Percentage of PA Skills Certificates awarded	64%	65%	65%	66%	66%	67%	68%

Program: Library Services

Objective: Continue to meet the critical needs of early education and adult learning by reinforcing the role of libraries in the learning ecosystem and developing relationships.

Annual visits to public libraries (in thousands)	41,538	41,953	42,373	42,796	43,224	43,656	44,093
Number of materials borrowed from public libraries (in thousands)	62,855	64,112	65,394	66,702	68,036	69,397	70,785
Items borrowed from public libraries children's collections- included above (in thousands)	23,246	23,725	24,200	24,683	25,177	25,681	26,194
Materials borrowed from libraries for blind and physically handicapped- included above (in thousands)	1,438	1,462	1,477	1,491	1,506	1,521	1,537
POWER Library use - items examined (in thousands)	30,875	38,097	38,478	38,863	39,251	39,644	40,040
Number of online inquiries by consumers to professional reference librarians (Ask Here PA)	89,220	63,500	64,135	64,776	65,424	66,078	66,739

Objective: Expand programs to increase access to technologies and resources, especially to vulnerable populations such as the unemployed, minorities, English Language learners and high poverty populations.

Circulation of electronic materials in public libraries	4,293,193	4,393,636	4,481,509	4,571,139	4,662,562	4,755,813	4,850,929
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Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Objective: Increase awareness of the State Library of Pennsylvania's extensive research resources and services among commonwealth employees and the public.							

Number of items accessed from the State Library of Pennsylvania	181,735	183,552	185,388	187,241	189,114	191,005	192,915
Number of people attending public programs sponsored by the State Library	5,045	5,100	5,151	5,203	5,255	5,307	5,360

Program: Higher Education

Objective: Increase postsecondary access, affordability and completion through improved alignment between K-12 and higher education in the commonwealth.

Access & Affordability

Minority enrollment at public institutions	97,494	102,369	107,487	112,862	118,505	124,430	130,651
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Outcomes

Six-year graduation rate for full-time, first-time students at state system and state-related institutions and community colleges	56%	56%	56%	56%	56%	56%	56%
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Objective: Increase access to postsecondary educational opportunities so that Pennsylvania learners of all ages are able to attain postsecondary credentials in a timely manner.

Cumulative graduation rate for the commonwealth's public colleges and universities.	61.82	61.93	61.89	62	62	62	62
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Objective: Ensure that postsecondary education and training opportunities are aligned with high demand/high growth careers and jobs in the commonwealth.

Number of community college credit programs or noncredit courses which lead to careers in High Priority Occupations	1,829	1,701	1,582	1,471	1,368	1,272	1,272
Number of students receiving PA-TIP grants	1,632	1,844	2,084	2,355	2,661	3,007	3,007

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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.

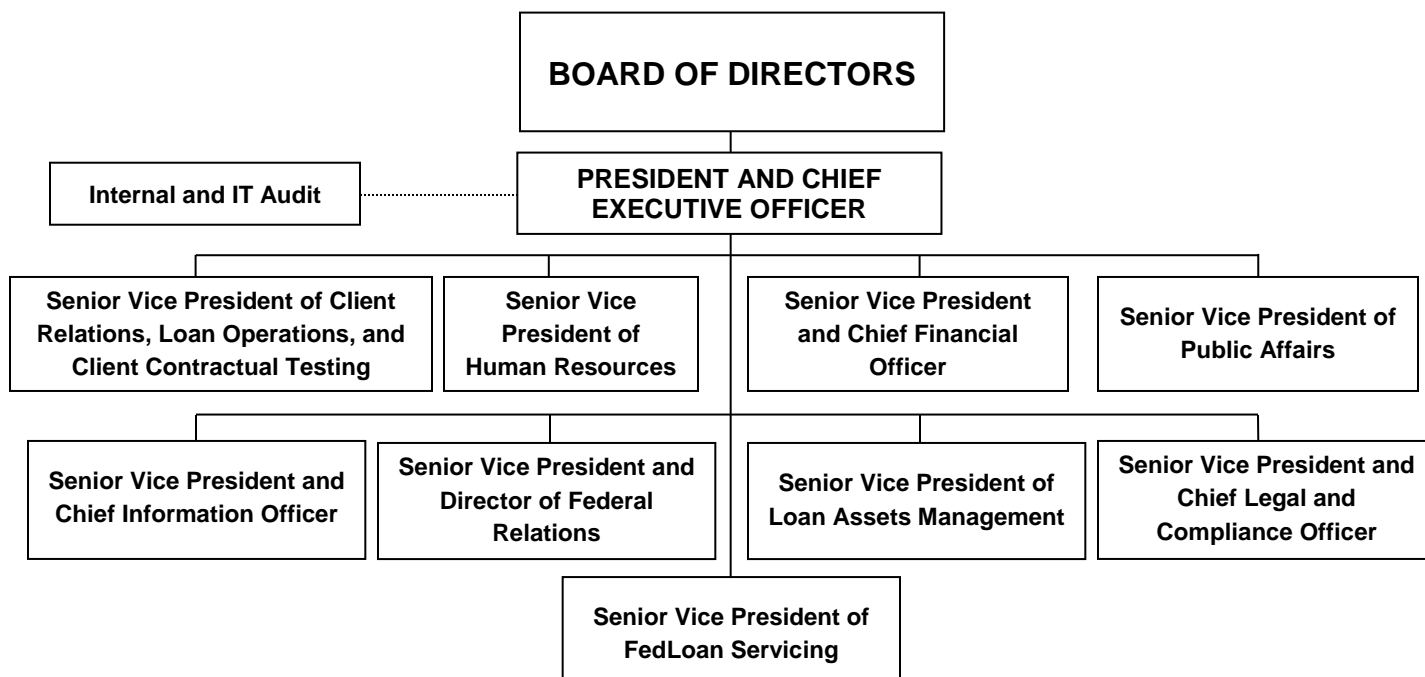
The agency provides financial aid to higher education students in the form of grants, loans and employment opportunities through the coordination of state and federal aid programs. In addition, the agency provides institutional assistance grants to private institutions enrolling students who participate in the state grant program.

Programs and Goals

Financial Assistance to Students: *To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.*

Financial Aid to Institutions: *To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students and assist at-risk students by providing institutional funds for support services.*

Organization Overview



- **Senior Vice President of Client Relations, Loan Operations, and Client Contractual Testing** responsibilities include managing third-party external client relationships, including Federal and Alternative Loan assets, as well as overseeing systems provided to Remote Clients. The position also oversees the operations for servicing these portfolios and the contractual testing associated with compliance of these responsibilities.
- **Senior Vice President of Human Resources** is responsible for leading all facets of human resources by providing HR expertise and best practices to deliver quality programs and initiatives that support the organization's business model.
- **Senior Vice President and Chief Financial Officer** is responsible for all financial functions, including financial reporting, accounting, budgeting, credit, insurance, tax, public finance, treasury, and administration.
- **Senior Vice President of Public Affairs** oversees public relations, legislative affairs, marketing communications, public service and State Grant and Special Program functions.
- **Senior Vice President and Chief Information Officer** manages the development, maintenance, and support of data processing systems and technology infrastructure.
- **Senior Vice President and Director of Federal Relations** is the primary liaison between the agency and the U.S. Congress, the U.S. Department of Education, and other federal agencies.
- **Senior Vice President of Loan Assets Management** is responsible for all guaranty default prevention and post collection activities, as well as commercial collections and payment processing.
- **Senior Vice President and Chief Legal and Compliance Officer** responsibilities include reviewing and approving all agency agreements and managing all aspects of the agency's legal and compliance initiatives.
- **Senior Vice President of FedLoan Servicing** responsibilities include overseeing FedLoan Servicing as a U.S. Department of Education Title IV Additional Servicer. The position also manages and responds to all Department of Education solicitations for new business.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
2,705	2,835	3,050	3,507	3,736

Higher Education Assistance Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 344,888	\$ 305,235	\$ 305,235
(A)Grants to Students Supplement.....	75,000	115,000	115,000
(A)State Grant Distance Education.....	10,000	10,000	10,000
Ready to Succeed Scholarships.....	5,000	5,000	5,000
Higher Education for the Disadvantaged.....	2,246	2,246	2,246
Higher Education of Blind or Deaf Students.....	47	47	47
Pennsylvania Internship Program Grants.....	350	350	450
Matching Payments for Student Aid.....	12,496	12,496	12,496
Institutional Assistance Grants.....	24,389	24,389	24,389
Bond-Hill Scholarships.....	534	1,250 ^a	1,250
Cheyney Keystone Academy.....	1,525	2,550 ^b	2,550
Subtotal - State Funds.....	\$ 391,475	\$ 353,563	\$ 353,663
Subtotal - Augmentations.....	85,000	125,000	125,000
Total - Grants and Subsidies.....	\$ 476,475	\$ 478,563	\$ 478,663
STATE FUNDS.....	\$ 391,475	\$ 353,563	\$ 353,663
AUGMENTATIONS.....	85,000	125,000	125,000
GENERAL FUND TOTAL.....	\$ 476,475	\$ 478,563	\$ 478,663
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Targeted Industry Cluster Scholarship Program.....	\$ 6,000	\$ 6,000	\$ 6,000
Educational Training Vouchers Program.....	1,564	1,510	1,510
Primary Health Care.....	367	269	166
HIGHER EDUCATION ASSISTANCE FUND TOTAL.....	\$ 7,931	\$ 7,779	\$ 7,676
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 391,475	\$ 353,563	\$ 353,663
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	85,000	125,000	125,000
OTHER FUNDS.....	7,931	7,779	7,676
TOTAL ALL FUNDS.....	\$ 484,406	\$ 486,342	\$ 486,339

^a Includes recommended supplemental appropriation of \$716,000.

^b Includes recommended supplemental appropriation of \$1,025,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 364,840	\$ 326,928	\$ 327,028	\$ 377,028	\$ 377,028	\$ 377,028	\$ 377,028
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	92,931	132,779	132,676	93,086	93,147	93,208	93,270
SUBCATEGORY TOTAL.....	<u>\$ 457,771</u>	<u>\$ 459,707</u>	<u>\$ 459,704</u>	<u>\$ 470,114</u>	<u>\$ 470,175</u>	<u>\$ 470,236</u>	<u>\$ 470,298</u>
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635
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>\$ 26,635</u>	<u>\$ 26,635</u>	<u>\$ 26,635</u>	<u>\$ 26,635</u>	<u>\$ 26,635</u>	<u>\$ 26,635</u>	<u>\$ 26,635</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 391,475	\$ 353,563	\$ 353,663	\$ 403,663	\$ 403,663	\$ 403,663	\$ 403,663
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	92,931	132,779	132,676	93,086	93,147	93,208	93,270
DEPARTMENT TOTAL.....	<u><u>\$ 484,406</u></u>	<u><u>\$ 486,342</u></u>	<u><u>\$ 486,339</u></u>	<u><u>\$ 496,749</u></u>	<u><u>\$ 496,810</u></u>	<u><u>\$ 496,871</u></u>	<u><u>\$ 496,933</u></u>

Higher Education Assistance Agency

Program: Financial Assistance to Students

Goal: To provide financial assistance to commonwealth residents in order to promote access to institutions of higher education.

The Pennsylvania Higher Education Assistance Agency (PHEAA) offers financial assistance programs to students in the form of grants, scholarships, and work-study awards.

All General Fund appropriations are transferred to PHEAA's Higher Education Assistance Fund prior to distribution to students and institutions. The Higher Education Assistance Fund is shown in the Other Special Funds Appendix.

Pennsylvania State Grants to students are funded by an annual appropriation from the General Fund, a portion of PHEAA's business earnings, and interest earnings from the Higher Education Assistance Fund. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size, and the cost of attendance at the institution the student will be attending. During 2014-15, over 173,000 awards were made to students. Beginning with the 2013-14 academic year, PHEAA offered a State Grant Distance Education Pilot program to provide grant awards to online students at participating institutions. Over 6,300 awards were disbursed to online students for 2014-15. The objective of the State Grant program is to reduce financial barriers and provide greater access to higher education for all commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public and private institutions.

The Ready to Succeed Scholarships program makes post-secondary educational opportunities more affordable to students from middle-income Pennsylvania families to pursue two-year and four-year post-secondary degrees at

any Pennsylvania college, university or technical school. In the first year of the program, approximately 3,250 benefitted from program awards.

The Matching Funds program provides funds to match federal funds and work-study awards which students earn through both on-campus and off-campus job opportunities. Matching funds also leverage private foundation scholarships. Nearly 35,000 students benefitted from one of the Matching Funds programs in 2014-15.

The Targeted Industry Cluster Scholarship Program provides grants to students enrolled in certificate programs in the energy, advanced materials and diversified manufacturing, and agricultural and food production fields. In 2014-15, the third year of the program, over 1,600 students received awards.

The Higher Education of Blind or Deaf Students program provides assistance to any blind or deaf student who is a Pennsylvania resident and is enrolled in an approved institution of higher education.

The Horace Mann Bond-Leslie Pinckney Hill Scholarship program provides grants to graduates of Lincoln University and Cheyney University of Pennsylvania who enter select graduate programs or professional programs in 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)

GENERAL FUND

Pennsylvania Internship Program Grants

\$ 100 —to continue current program.

All other appropriations are recommended at the current year funding levels.

In addition, the budget provides \$6,000,000 for the Targeted Industry Cluster Scholarship program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Grants to Students.....	\$ 344,888	\$ 305,235	\$ 305,235	\$ 355,235	\$ 355,235	\$ 355,235	\$ 355,235
Ready to Succeed Scholarships.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Higher Education of Blind or Deaf Students	47	47	47	47	47	47	47
Pennsylvania Internship Program Grants..	350	350	450	450	450	450	450
Matching Payments for Student Aid	12,496	12,496	12,496	12,496	12,496	12,496	12,496
Bond-Hill Scholarships	534	1,250	1,250	1,250	1,250	1,250	1,250
Cheyney Keystone Academy.....	1,525	2,550	2,550	2,550	2,550	2,550	2,550
TOTAL GENERAL FUND.....	\$ 364,840	\$ 326,928	\$ 327,028	\$ 377,028	\$ 377,028	\$ 377,028	\$ 377,028

Program: Financial Aid to Institutions

GOAL: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students and assist at-risk students by providing institutional funds for support services.

The Institutional Assistance Grants program, which began in 1974, provides grants to assist independent post-secondary institutions that are not-for-profit, nondenominational, and non-recipients of direct state appropriations.

The program provides equal per capita grants to the schools based on the number of full-time equivalent state grant recipients enrolled during the academic year. Eighty-nine institutions are currently 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.

The Higher Education of the Disadvantaged, more commonly known as the Act 101 Program, provides funding to institutions for support services, academic advising, counseling, and tutoring to economically and educationally disadvantaged students. There are 33 programs operating at institutions across the commonwealth.

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)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Higher Education for the Disadvantaged...	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246	\$ 2,246
Institutional Assistance Grants	24,389	24,389	24,389	24,389	24,389	24,389	24,389
TOTAL GENERAL FUND.....	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635	\$ 26,635

Higher Education Assistance Agency

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Financial Assistance to Students

Objective: Increase enrollment and graduation rates at Pennsylvania's colleges and universities.

Grants to Students

Applications for grants	606,694	579,000	576,000	573,000	570,000	567,000	564,000
Applications complete and needs tested for eligibility	386,567	385,000	383,000	381,000	379,000	377,000	375,000
Eligible applicants meeting qualifications	216,233	202,000	200,000	204,000	206,000	207,000	209,000
Eligible applicants enrolled and accepting grants	173,856	159,000	158,000	162,000	163,000	165,000	167,000
Eligible applicants not enrolled at a college/university	42,377	42,000	42,000	42,000	42,000	42,000	42,000
Grant amount as percentage of applicant's total educational cost	10.50%	10%	9.50%	9%	8.50%	8%	7.50%
Students receiving Blind or Deaf Scholarships	96	94	94	94	94	94	94
Students Receiving Pennsylvania Internship Program Awards	80	60	60	60	60	60	60

Work Study

Student work study earnings (in millions)	\$58	\$58	\$58	\$58	\$58	\$58	\$58
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Program: Financial Aid to Institutions

Objective: Support programs at institutions through the development and preservation of a planned system of higher education across the commonwealth (through the IAG Program).

Eligible grant recipients enrolled at eligible independent institutions	43,484	42,000	42,000	43,000	43,000	44,000	44,000
Per capita grants	\$563	\$587	\$576	\$570	\$565	\$559	\$553
Institutions aided	89	89	89	89	89	89	89

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eHEALTH PARTNERSHIP AUTHORITY

*This budget proposes to merge the eHealth Partnership
Authority into the Department of Human Services.*

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Transfer to PA eHealth Partnership Fund.....	\$ 1,850	\$ 1,500	\$ 0 ^a
(F)Health Information Technology Implementation Grant (EA).....	0	10,000	0 ^a
Subtotal - State Funds.....	\$ 1,850	\$ 1,500	\$ 0
Subtotal - Federal Funds.....	0	10,000	0
Total - General Government.....	<u>\$ 1,850</u>	<u>\$ 11,500</u>	<u>\$ 0</u>
STATE FUNDS.....	\$ 1,850	\$ 1,500	\$ 0
FEDERAL FUNDS.....	0	10,000	0
GENERAL FUND TOTAL.....	<u>\$ 1,850</u>	<u>\$ 11,500</u>	<u>\$ 0</u>
OTHER FUNDS:			
PENNSYLVANIA EHEALTH PARTNERSHIP FUND:			
General Operations (EA).....	\$ 2,600 ^b	\$ 2,325 ^b	\$ 0 ^a
(F)ARRA - Health Information Exchange (EA).....	8,837	0	0
(F)Health Information Technology Implementation Grant (EA).....	9,000	0	0
(A)Fees.....	186	50	0
PENNSYLVANIA EHEALTH PARTNERSHIP FUND TOTAL.....	<u>\$ 20,623</u>	<u>\$ 2,375</u>	<u>\$ 0</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 1,850	\$ 1,500	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	10,000	0
OTHER FUNDS.....	20,623	2,375	0
TOTAL ALL FUNDS.....	<u>\$ 22,473</u>	<u>\$ 13,875</u>	<u>\$ 0</u>

^a Funding for this program has been merged into the Department of Human Services.

^b Transfer from the General Fund is not added to the total to avoid double counting: 2014-15 Actual is \$4,450,000, 2015-16 Available is \$3,825,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
EHEALTH PARTNERSHIP AUTHORITY							
GENERAL FUND.....	\$ 1,850	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	10,000	0	0	0	0	0
OTHER FUNDS.....	20,623	2,375	0	0	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 22,473</u>	<u>\$ 13,875</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,850	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	10,000	0	0	0	0	0
OTHER FUNDS.....	20,623	2,375	0	0	0	0	0
DEPARTMENT TOTAL.....	<u><u>\$ 22,473</u></u>	<u><u>\$ 13,875</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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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.

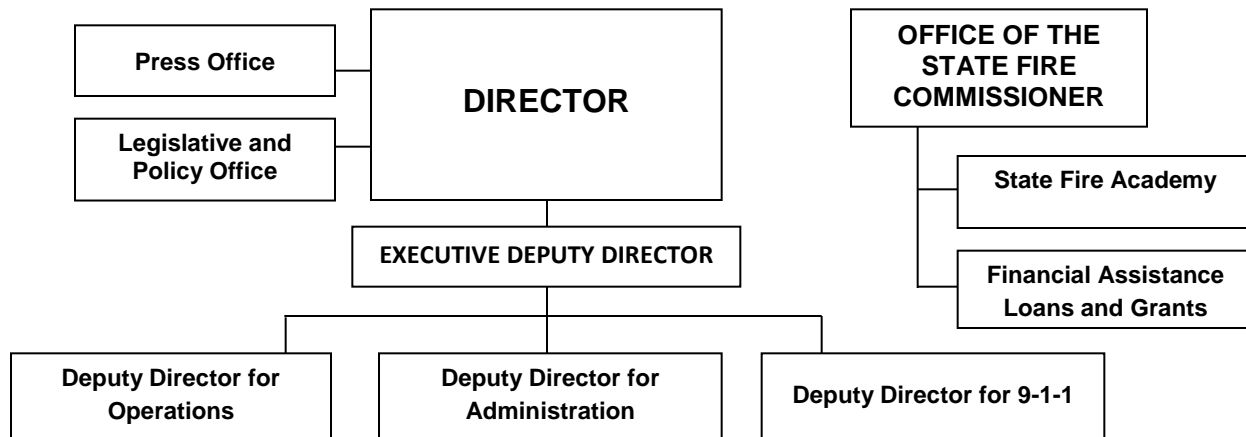
The agency develops and maintains a comprehensive plan and program for the civil defense of the commonwealth. Primarily the plan calls for the protection of life and property both prior to and in the event of natural and other disasters. The agency, through the Office of the State Fire Commissioner, 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 Goals

Emergency Management: *To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.*

Fire Prevention and Safety: *To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.*

Organization Overview



- Deputy Director for Operations** oversees all operations relating to the warning point, State Emergency Operations Center (SEOC), tactical/operational planning and preparedness, and response activities of agency headquarters and area offices. Acts as the primary point of contact between PEMA and various search and rescue special teams within the commonwealth. Manages the SEOC 24/7/365 Watch Operation, including its activation during disasters, and delivery of essential services during emergency response and recovery phases; conducts technological hazard planning including the commonwealth's five nuclear power plants; and trains and conducts emergency preparedness exercises to ensure that commonwealth citizens, county and local emergency management programs, first responders and commonwealth agencies are prepared to deal with emergencies. Oversees area offices that are the primary management and coordination points of contact and liaison within the western, central, or eastern regions of Pennsylvania.
- Deputy Director for Administration** oversees and manages a comprehensive administrative and management services program. Responsible for all agency activities related to manpower, staff utilization planning, classification and pay, labor relations; and provides fiscal, budget, facility management, procurement and grants management services. Also responsible for developing and defining strategies, goals and objectives that will formulate strategic plans for the agency, statewide emergency management and integration as well as emergency preparedness for the commonwealth. As a recipient of Homeland Security Grant funds, identifies threats and hazards that exist in the commonwealth and identifies needed planning, organization, exercise, training and equipment in order to mitigate, protect, prevent, respond and recover from a terroristic threat or an all-hazards incident. Provides information technology and telecommunications support to the agency, the SEOC, three area offices, the Special Operations Center, the Office of State Fire Commissioner and State Fire Academy. Responsible for the administration of the federal- and state-funded public assistance, individual assistance and hazard mitigation programs that provide financial assistance to disaster victims.
- Deputy Director for 9-1-1** directs the strategic planning, policy development, implementation and integration of statewide 9-1-1 systems. Leading the transition from legacy 9-1-1 to Next Generation 9-1-1 systems and development and deployment of a Emergency Services IP Network connecting all Public Safety Answering Points. Provides oversight of education, training, functional technology systems, network and exchange databases and 9-1-1 applications in shared/hosted environments. Serves as principal advisor to the director for all 9-1-1 matters.
- State Fire Commissioner** oversees the State Fire Academy and the Volunteer Loan Assistance Program and is responsible for the diverse training, operational and information needs of the commonwealth's fire and emergency services community. The Fire Commissioner reports to the Governor.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
161	190	193	195	198

Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 8,944	\$ 10,457^a	\$ 11,161
(F)Civil Preparedness.....	21,000	21,000	21,000
(F)Hazardous Materials Planning and Training.....	900	900	900
(F)Domestic Preparedness - First Responders (EA).....	130,000	130,000	130,000
(F)School Emergency Management Planning (EA).....	987	958	0
(A)Miscellaneous.....	3	0	0
Subtotal.....	<u>\$ 161,834</u>	<u>\$ 163,315</u>	<u>\$ 163,061</u>
State Fire Commissioner.....	2,037	2,248^b	2,414
(F)Fire Prevention.....	42	42	42
(F)Assistance to Firefighters Program.....	75	0	0
(F)Firefighters Assistance Program (EA).....	177	110	100
(A)Fire Academy Fees.....	9	6	6
(A)Volunteer Company Loan Program.....	250	250	250
(A)Volunteer Company Grant Program.....	250	250	250
(A)Arson Fines.....	21	0	0
Subtotal.....	<u>\$ 2,861</u>	<u>\$ 2,906</u>	<u>\$ 3,062</u>
Subtotal - State Funds.....	\$ 10,981	\$ 12,705	\$ 13,575
Subtotal - Federal Funds.....	153,181	153,010	152,042
Subtotal - Augmentations.....	533	506	506
Total - General Government.....	<u>\$ 164,695</u>	<u>\$ 166,221</u>	<u>\$ 166,123</u>
<i>Grants and Subsidies:</i>			
Disaster Relief.....	\$ 464	\$ 500	\$ 0
(F)Disaster Relief (EA).....	38,396	22,772	13,276
(F)Hazard Mitigation (EA).....	30,104	23,808	6,224
Emergency Management Assistance Compact.....	1,300	0	0
Firefighters Memorial Flag.....	10	10	10
Red Cross Extended Care Program.....	150	150	150
Search and Rescue.....	250	0	0
Local Municipal Emergency Relief.....	3,000	0	0
Subtotal - State Funds.....	\$ 5,174	\$ 660	\$ 160
Subtotal - Federal Funds.....	68,500	46,580	19,500
Total - Grants and Subsidies.....	<u>\$ 73,674</u>	<u>\$ 47,240</u>	<u>\$ 19,660</u>
STATE FUNDS.....	\$ 16,155	\$ 13,365	\$ 13,735
FEDERAL FUNDS.....	221,681	199,590	171,542
AUGMENTATIONS.....	533	506	506
GENERAL FUND TOTAL.....	<u>\$ 238,369</u>	<u>\$ 213,461</u>	<u>\$ 185,783</u>
OTHER FUNDS:			
GENERAL FUND:			
Volunteer Fire Company Assistance.....	\$ 0	\$ 0	\$ 10,000
VoIP Emergency Services Fund.....	25,828	7,000	0
Radiological Emergency Response Planning.....	1,640	1,200	1,475
Radiation Emergency Response Fund.....	802	800	750
Radiation Transportation Emergency Response Fund.....	20	75	150
GENERAL FUND TOTAL.....	<u>\$ 28,290</u>	<u>\$ 9,075</u>	<u>\$ 12,375</u>

Emergency Management Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations.....	\$ 200	\$ 190	\$ 190
Hazardous Materials Response Team.....	200	190	190
Grants to Counties.....	1,400	1,330	1,330
Public and Facility Owner Education.....	200	190	190
HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....	\$ 2,000	\$ 1,900	\$ 1,900
PROPERTY TAX RELIEF FUND:			
Transfer to Volunteer Company Grants Program (EA).....	\$ 5,000	\$ 5,000	\$ 5,000
STATE GAMING FUND:			
Transfer to Volunteer Company Grants Program (EA).....	\$ 25,000	\$ 25,000	\$ 25,000
UNCONVENTIONAL GAS WELL FUND:			
Emergency Response Planning.....	\$ 750	\$ 750	\$ 750
First Responders Equipment and Training.....	750	750	750
UNCONVENTIONAL GAS WELL FUND TOTAL.....	\$ 1,500	\$ 1,500	\$ 1,500
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans.....	\$ 10,295	\$ 16,000	\$ 18,000
911 FUND:			
General Operations (EA).....	\$ 2,340	\$ 4,100	\$ 6,400
Emergency Services Grants (EA).....	116,000	206,000	313,000
911 FUND TOTAL.....	\$ 118,340	\$ 210,100	\$ 319,400
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 16,155	\$ 13,365	\$ 13,735
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	221,681	199,590	171,542
AUGMENTATIONS.....	533	506	506
OTHER FUNDS.....	190,425	268,575	383,175
TOTAL ALL FUNDS.....	\$ 428,794	\$ 482,036	\$ 568,958

^a Includes recommended supplemental appropriation of \$156,000.

^b Includes recommended supplemental appropriation of \$98,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 13,958	\$ 10,957	\$ 11,161	\$ 11,273	\$ 11,385	\$ 11,499	\$ 11,614
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	221,387	199,438	171,400	176,701	168,951	162,451	156,951
OTHER FUNDS.....	149,383	221,825	324,425	324,345	324,345	324,345	324,345
SUBCATEGORY TOTAL.....	<u>\$ 384,728</u>	<u>\$ 432,220</u>	<u>\$ 506,986</u>	<u>\$ 512,319</u>	<u>\$ 504,681</u>	<u>\$ 498,295</u>	<u>\$ 492,910</u>
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 2,197	\$ 2,408	\$ 2,574	\$ 2,598	\$ 2,622	\$ 2,647	\$ 2,672
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	294	152	142	42	42	42	42
OTHER FUNDS.....	41,575	47,256	59,256	59,256	59,256	59,256	59,256
SUBCATEGORY TOTAL.....	<u>\$ 44,066</u>	<u>\$ 49,816</u>	<u>\$ 61,972</u>	<u>\$ 61,896</u>	<u>\$ 61,920</u>	<u>\$ 61,945</u>	<u>\$ 61,970</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 16,155	\$ 13,365	\$ 13,735	\$ 13,871	\$ 14,007	\$ 14,146	\$ 14,286
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	221,681	199,590	171,542	176,743	168,993	162,493	156,993
OTHER FUNDS.....	190,958	269,081	383,681	383,601	383,601	383,601	383,601
DEPARTMENT TOTAL.....	<u>\$ 428,794</u>	<u>\$ 482,036</u>	<u>\$ 568,958</u>	<u>\$ 574,215</u>	<u>\$ 566,601</u>	<u>\$ 560,240</u>	<u>\$ 554,880</u>

Program: Emergency Management

Goal: To develop and maintain a statewide emergency preparedness and response program capable of immediate and effective action and rapid organizational expansion in the event of natural, technological or other man-made disasters.

The Pennsylvania Emergency Management Agency (PEMA) was created in 1951 to address civil defense related public planning and preparedness. Since then, PEMA's responsibilities have evolved, and the agency's mission has grown into that of a statewide all-hazards emergency management agency. The agency's mission is accomplished through systematic preparation for the threats that pose the greatest risk to the safety and security of the commonwealth, including natural and man-made disasters, pandemics and acts of terrorism. PEMA has adopted the "Whole Community" approach to emergency management that recognizes it takes all aspects of a community to effectively prepare for, protect against, respond to, recover from and mitigate against any disaster.

Pennsylvania preparedness occurs as the result of actions taken to plan, train and equip to build and sustain the capabilities and capacity to protect our state during emergency events. The agency has several objectives that help meet the statewide preparedness goal: increase community outreach to better prepare citizens to appropriately respond to all-hazard threats within their community; increase capabilities of emergency management within the commonwealth; increase the efficiency of federal and state grant administration; provide wireless 911 callers the enhanced benefits traditionally available to landline 911 callers; and reduce the risks to critical infrastructure from acts that would severely diminish the ability of government to perform essential health and safety missions and negatively impact our people, vital interests and way of life.

Pennsylvania's "Whole Community" public preparedness program is based on inter and intra governmental coordination, communication and cooperation and a team approach involving state, county, municipal and federal elected leaders, the private sector owners of our critical infrastructure, emergency managers and first responders. At its core is a multi-agency coordination and training program which develops and maintains a statewide emergency force composed of state, county and local units, jointly capable of prompt and effective action to protect life and property; alleviate human suffering and hardship resulting from natural and man-made disasters; and deploy rapidly when required.

PEMA's responsibilities include programs concerning prison and community safety, initiatives related to 911 technology, operation and policy, statewide chemical and

nuclear power safety, hazardous materials transportation and individual emergency preparedness. PEMA assists local governments with hazard assessments, emergency planning, warning systems and emergency communications, and ongoing training programs to help them maintain their readiness. PEMA maintains and operates Pennsylvania's emergency response and command center on a 24/7 basis. In times of disaster, PEMA is responsible for all actions related to gubernatorial emergency declarations, presidential disaster declarations and all coordination with the Federal Emergency Management Agency.

Counties are required to have an approved emergency program plan consisting of a statement of accomplishments, required financial needs, hazard vulnerability and goals indicating projected activity. Counties are also required to have current hazard mitigation plans. Federal and state laws mandate conducting exercises to test and update existing emergency preparedness and response plans. This comprehensive exercise program is an extensive and integrated training and testing program that enhances and measures the ability of county and local forces to provide a first line of response to emergency conditions.

PEMA is responsible by law to require the operator of an unconventional well site to develop an emergency response plan that provides for equipment, procedures, training and documentation to properly respond to emergencies that threaten human health and safety for each well site or planned well site.

The agency coordinates urban search and rescue capabilities for response to certain types of disasters. Regional rapid assessment teams are trained to provide assessment of needs in disaster areas. The agency also coordinates nine regional counter-terrorism task forces and incident support teams. PEMA acts as the federally designated state administrative agency and is responsible for managing congressionally mandated and first responder preparedness support programs.

PEMA is responsible for carrying out the provisions of the Pennsylvania 911 Act, the decision-making aspects of Next Generation 911 (NG9-1-1) development, ensuring compliance with legislative policy and supporting plans and procedures, collaboration among stakeholders, and informing the public about relevant aspects of 911. PEMA strives to act as both a visionary and a change agent for NG9-1-1 transformation initiatives.

Emergency Management Agency

Program: Emergency Management (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 704 **General Government Operations**
—to continue current program.

\$ -500 **Disaster Relief**
—nonrecurring program costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 8,944	\$ 10,457	\$ 11,161	\$ 11,273	\$ 11,385	\$ 11,499	\$ 11,614
Disaster Relief	464	500	0	0	0	0	0
Emergency Management Assistance							
Compact.....	1,300	0	0	0	0	0	0
Search and Rescue	250	0	0	0	0	0	0
Local Municipal Emergency Relief	3,000	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 13,958	\$ 10,957	\$ 11,161	\$ 11,273	\$ 11,385	\$ 11,499	\$ 11,614

Program: Fire Prevention and Safety

Goal: To minimize the loss of life and property due to fire by developing and maintaining statewide municipal fire and emergency service capability and to promote citizen awareness to support community fire prevention and control efforts.

The commissioner oversees the development and operation of the State Fire Academy; an alternative energy curriculum that specifically addresses gas production from Marcellus Shale wells; a variety of public education/information programs; the Volunteer Loan Assistance Program (VLAP); the Fire Company and Volunteer Ambulance Service Grant program; the Pennsylvania Fire Information Reporting System; and the administration of the Firefighters Memorial Flag Program. The commissioner is also responsible for coordinating federal, state and private fire safety funds; assisting state agencies in the development of plans related to fire safety; reviewing existing or proposed rules and regulations affecting the safety of commonwealth citizens; and providing a cost-effective fire-loss management system for the commonwealth. Through contacts with government agencies, the business community, consumers and the fire service, the commissioner's office provides technical assistance; collects, reviews and disseminates pertinent information about fire death data and fire prevention and control techniques; and conducts statewide fire safety educational programs for the entire fire service community.

The State Fire Academy in Lewistown is the catalyst for the delivery of training and certification to the commonwealth's fire and emergency response community. The Local Level Training program, a unique system involving the academy, community colleges, and county and local training facilities and organizations, provides a comprehensive curriculum of basic and mid-level fire, rescue, hazardous material, officer development and fire department management courses deliverable to firefighters through county and local fire departments.

The academy's training facilities and staff support the Resident Training programs offering mid-level, advanced and specialty training in fire, rescue, hazardous material and officer development courses aimed at providing professional development opportunities for the commonwealth's fire service, state certified instructors and employees from other state agencies. Programs of interest and concern are made available to the emergency

services providers through the academy's "Academy on the Road" program. The academy manages the Firefighter Certification program that measures individual knowledge and skills against nationally accepted professional standards to assist responders in maximizing their training and experience credentials.

VLAP provides assistance to the volunteer fire fighting, ambulance and rescue community in the form of low-interest loans for the purpose of establishing or modernizing facilities to house apparatus and equipment, purchasing new or rehabilitating old apparatus and purchasing protective, communications and accessory equipment.

The Fire Company and Volunteer Ambulance Service Grant program annually transfers \$25 million from the State Gaming Fund and \$5 million from the Property Tax Relief Fund to the grants program to provide grant funding to all fire companies and volunteer ambulance services to assist in maintaining or improving capability to provide fire, ambulance and rescue services. Approximately 2,750 grants are awarded annually for this program.

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.

To provide assistance to local volunteer fire companies, this budget includes a proposed surcharge on the Insurance Premiums Tax of an additional 0.5% of gross premiums to be levied on property, casualty and fire insurance premiums. From the additional revenue generated, \$10 million will be transferred annually to the Volunteer Fire Company Assistance restricted account beginning in 2016-17.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 166 **State Fire Commissioner**
—to continue current program.

The Firefighters Memorial Flag and Red Cross Extended Care Program appropriations are recommended at the current year funding levels.

Emergency Management Agency

Program: Fire Prevention and Safety (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
State Fire Commissioner	\$ 2,037	\$ 2,248	\$ 2,414	\$ 2,438	\$ 2,462	\$ 2,487	\$ 2,512
Firefighters Memorial Flag.....	10	10	10	10	10	10	10
Red Cross Extended Care Program.....	150	150	150	150	150	150	150
TOTAL GENERAL FUND	\$ 2,197	\$ 2,408	\$ 2,574	\$ 2,598	\$ 2,622	\$ 2,647	\$ 2,672

Emergency Management Agency

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Emergency Management

Objective: Provide support to local leaders to strengthen recovery and mitigation capabilities.

State and local emergency management personnel trained	4,163	4,300	4,400	4,500	4,600	4,700	4,700
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Objective: Improve the preparedness and response capabilities of individuals and communities to all hazards.

Percentage of residents prepared for a disaster	55%	65%	70%	75%	80%	85%	90%
Percentage of counties that request funding for Citizen Corps programs or outreach materials	55%	65%	70%	75%	80%	80%	80%

Objective: Streamline the delivery and investment of homeland security and emergency management funding.

State and federal emergency management grant funds disbursed	\$71,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
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Program: Fire Prevention and Safety

Objective: Improve fire department effectiveness and service delivery, and promote and enhance the safety of first responders through participation in firefighter certification programs and training opportunities.

Emergency Preparedness and Response

State Fire Academy entry level training graduates	8,611	8,200	8,300	8,400	8,450	8,500	8,500
Individuals nationally certified at Firefighter I or higher at the State Fire Academy Certification Program	3,822	3,800	3,900	4,000	4,100	4,100	4,100
Percent of fire departments reporting incidents to the PA Fire Information Reporting System	42%	45%	55%	65%	75%	85%	90%
Volunteer company loans approved (in thousands)	\$10,295	\$16,000	\$18,000	\$18,500	\$19,000	\$19,000	\$19,000
Fire departments participating in Fire Department Recognition program	445	600	650	700	750	800	800



DEPARTMENT OF ENVIRONMENTAL PROTECTION

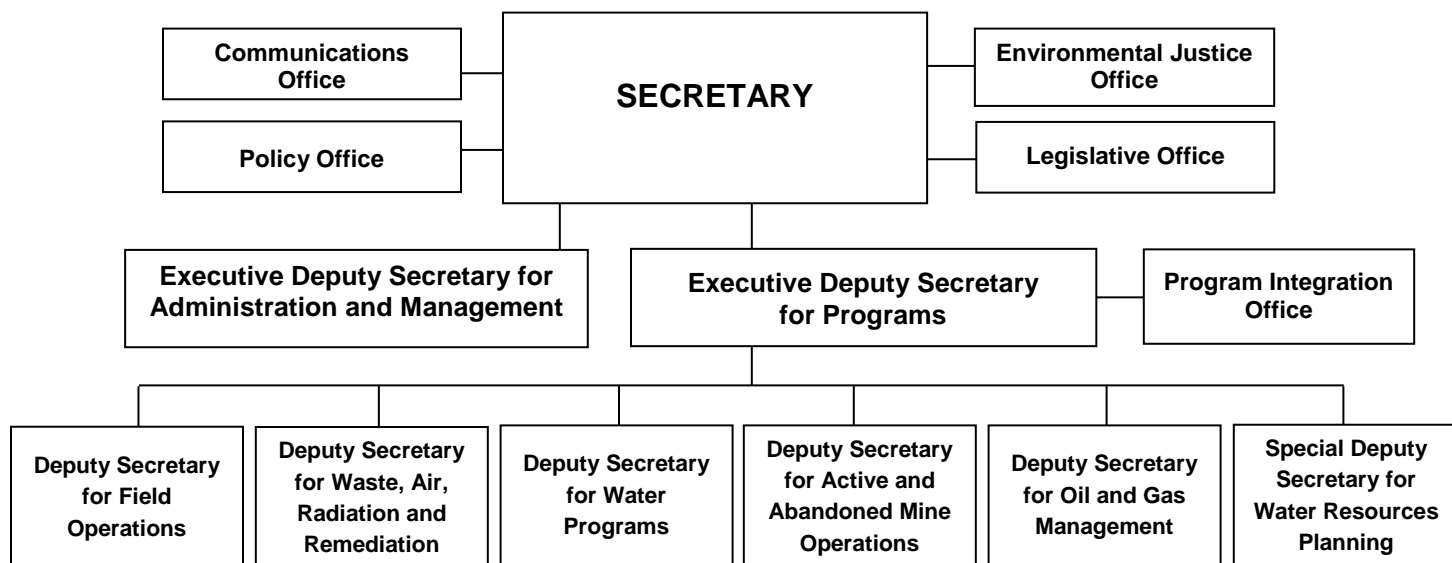
The mission of the Department of Environmental Protection is to protect Pennsylvania's air, land and water from pollution and to provide for the health and safety of its citizens through a cleaner environment. The department will work as partners with individuals, organizations, governments and businesses to prevent pollution and restore our natural resources.

Programs and Goals

Environmental Support Services: *To provide administrative and technical support for the commonwealth's environmental protection programs.*

Environmental Protection and Management: *To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the commonwealth, to protect people from dangerous or unnecessary radiation from natural and manmade sources, including occupational and medical exposure and to manage water and mineral resources in a way that protects their undue destruction and depletion while allowing economic benefits from their use.*

Organization Overview



- **Executive Deputy Secretary for Administration and Management** oversees the agency's business management and finance functions. The deputy is instrumental in formulating and executing agency strategies to improve operations and staff performance.
- **Deputy Secretary for Field Operations** oversees the six regional offices.
- **Deputy Secretary for Waste, Air, Radiation and Remediation** oversees the bureaus of Waste Management, Air Quality, Radiation Protection and Environmental Cleanup and Brownfields (remediation).
- **Deputy Secretary for Water Programs** oversees a dedicated Chesapeake Bay Office and the bureaus of Waterways Engineering and Wetlands, Safe Drinking Water and Clean Water.
- **Deputy Secretary for Active and Abandoned Mine Operations** oversees the bureaus of Mining Programs, Abandoned Mine Reclamation, Mine Safety and District Mining Operations.
- **Deputy Secretary for Oil and Gas Management** directs the bureaus of Oil and Gas Planning and Program Management and District Oil and Gas Operations. Oversees the development of departmental policy as well as regulatory and technical guidance on oil and gas activities in Pennsylvania and outreach and education for the public and regulatory communities.
- **Special Deputy Secretary for Water Resources Planning** oversees the Compacts and Commission Office to lead water resource planning and partner outreach efforts.

Authorized Complement*

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
2,853	2,784	2,784	2,722	2,696

*Includes Environmental Hearing Board.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:

General Government:

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
General Government Operations.....	\$ 12,432	\$ 13,376	\$ 16,032
(A)Reimbursement - EDP Services.....	8,274	8,760	8,760
(A)Department Services.....	174	175	175
Subtotal.....	<u>\$ 20,880</u>	<u>\$ 22,311</u>	<u>\$ 24,967</u>

Environmental Hearing Board.....	2,255	2,379	2,506
(A)Reimbursement for Services.....	0	1	1
Subtotal.....	<u>\$ 2,255</u>	<u>\$ 2,380</u>	<u>\$ 2,507</u>

Environmental Program Management.....	28,517	29,522^a	31,085
(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.....	200	200	200
(F)Water Quality Management Planning Grants.....	1,150	1,150	1,150
(F)Small Operators Assistance.....	300	300	300
(F)Wellhead Protection Fund.....	250	250	250
(F)Indoor Radon Abatement.....	700	700	700
(F)Non-Point Source Implementation.....	14,800	14,800	14,800
(F)Hydroelectric Power Conservation Fund.....	51	51	51
(F)Survey Studies.....	5,000	5,000	5,000
(F)National Dam Safety.....	300	300	300
(F)Training Reimbursement for Small Systems.....	3,500	3,500	3,500
(F)State Energy Program.....	15,000	15,000	15,000
(F)Pollution Prevention.....	800	800	800
(F)Energy & Environmental Opportunities.....	1,200	1,200	1,200
(F)Surface Mine Conservation.....	680	680	680
(F)Abandoned Mine Reclamation (EA).....	55,000	55,000	55,000
(F)Nuclear and Chemical Security (EA).....	120	25	50
(F)Homeland Security Initiative (EA).....	500	500	500
(A)Payments - Department Services.....	1,475	1,332	1,332
(A)Vehicle Sales.....	20	5	5
(A)PA DOT ISTEPA Program.....	7	5	5
(A)Clean Water Fund.....	286	300	300
(A)Reimbursement from Water Pollution Control Revolving Fund.....	217	200	200
(R)Sewage Facilities Program Administration (EA).....	1,500	1,000	623
(R)Used Tire Pile Remediation (EA).....	0	387	387
Subtotal.....	<u>\$ 162,063</u>	<u>\$ 162,697</u>	<u>\$ 163,908</u>

Chesapeake Bay Agricultural Source Abatement.....	2,671	2,650^b	2,696
(F)Chesapeake Bay Pollution Abatement.....	9,200	9,200	9,200
Subtotal.....	<u>\$ 11,871</u>	<u>\$ 11,850</u>	<u>\$ 11,896</u>

Environmental Protection Operations.....	84,438	89,305^c	92,190
(F)EPA Planning Grant - Administration.....	8,400	8,400	8,400
(F)Water Pollution Control Grants.....	8,900	8,900	8,900
(F)Air Pollution Control Grants.....	5,010	5,010	5,010
(F)Surface Mine Control and Reclamation.....	11,344	11,344	11,344
(F)Training & Education of Underground Coal Miners.....	1,700	1,700	1,700
(F)Construction Management Assistance Grants.....	350	350	350
(F)Safe Drinking Water.....	5,700	5,700	5,700
(F)Oil Pollution Spills Removal.....	1,000	1,000	1,000
(F)Technical Assistance to Small Systems (EA).....	1,000	1,000	1,000
(F)Assistance to State Programs (EA).....	4,500	4,500	4,500

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(F)Local Assistance and Source Water Protection (EA).....	6,000	6,000	6,000
(A)Clean Air Fund.....	3,860	3,860	3,860
(A)Vehicle Sale.....	180	80	80
(A)Reimbursement from Water Pollution Control Revolving Fund.....	136	145	145
(A)Safe Drinking Water Account.....	200	200	200
(A)Solid Waste Abatement.....	500	500	500
(A)Reimbursement - Department Services.....	5,786	4,923	4,923
(A)PADOT ISTEPA Program.....	871	825	825
(A)Safe Drinking Water Revolving Fund.....	575	615	615
(A)Reimbursement - Laboratory Services.....	9,544	10,836	10,963
(A)Lab Accreditation.....	1,544	1,750	2,000
Subtotal.....	\$ 161,538	\$ 166,943	\$ 170,205
Black Fly Control and Research.....	3,316	3,316	3,340
(A)County Contributions.....	790	725	725
Subtotal.....	\$ 4,106	\$ 4,041	\$ 4,065
West Nile Virus Control.....	3,831	3,932	4,005
(A)Reimbursement for Spraying.....	2	0	0
Subtotal.....	\$ 3,833	\$ 3,932	\$ 4,005
Subtotal - State Funds.....	\$ 137,460	\$ 144,480	\$ 151,854
Subtotal - Federal Funds.....	193,145	193,050	193,075
Subtotal - Augmentations.....	34,441	35,237	35,614
Subtotal - Restricted Revenues.....	1,500	1,387	1,010
Total - General Government.....	\$ 366,546	\$ 374,154	\$ 381,553
Grants and Subsidies:			
Delaware River Master.....	\$ 76	\$ 76	\$ 76
Susquehanna River Basin Commission.....	573	573 ^d	573
Interstate Commission on the Potomac River.....	46	46	46
Delaware River Basin Commission.....	434	750 ^e	750
Ohio River Valley Water Sanitation Commission.....	136	136	136
Chesapeake Bay Commission.....	227	227	277
Transfer to Conservation District Fund.....	2,506	2,506	2,506
Interstate Mining Commission.....	30	30	30
Total - Grants and Subsidies.....	\$ 4,028	\$ 4,344	\$ 4,394
STATE FUNDS.....	\$ 141,488	\$ 148,824	\$ 156,248
FEDERAL FUNDS.....	193,145	193,050	193,075
AUGMENTATIONS.....	34,441	35,237	35,614
RESTRICTED REVENUES.....	1,500	1,387	1,010
GENERAL FUND TOTAL.....	\$ 370,574	\$ 378,498	\$ 385,947
OTHER FUNDS:			
GENERAL FUND:			
Safe Drinking Water Account.....	\$ 1,213	\$ 1,414	\$ 1,276
Radiation Protection Fund.....	11,018	14,109	13,959
Clean Water Fund.....	21,506	24,705	23,307
Solid Waste Abatement Fund.....	3,740	5,087	4,871
Well Plugging Account.....	21,087	25,760	25,364
Abandoned Well Plugging.....	285	212	131
Orphan Well Plugging.....	641	863	730
Alternative Fuels.....	9,231	7,091	5,591
Industrial Land Recycling.....	212	300	300
Waste Transportation Safety Account.....	2,355	2,888	2,885
Electronics Material Recycling Account.....	197	197	199

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND TOTAL.....	\$ 71,485	\$ 82,626	\$ 78,613
ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
(F)Acid Mine Drainage Abatement and Treatment (EA).....	\$ 8,300	\$ 11,850	\$ 13,823
CLEAN AIR FUND:			
Major Emission Facilities (EA).....	\$ 16,870	\$ 22,039	\$ 21,050
Mobile and Area Facilities (EA).....	9,811	10,250	11,454
CLEAN AIR FUND TOTAL.....	\$ 26,681	\$ 32,289	\$ 32,504
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:			
General Operations (EA).....	\$ 2,595	\$ 3,708	\$ 3,854
Payment of Claims (EA).....	840	2,040	2,040
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL.....	\$ 3,435	\$ 5,748	\$ 5,894
COAL LANDS IMPROVEMENT FUND:			
Coal Lands Restoration (EA).....	\$ 44	\$ 100	\$ 200
CONSERVATION DISTRICT FUND:			
Conservation District Grants (EA).....	\$ 4,428	\$ 4,428	\$ 4,476
ENERGY DEVELOPMENT FUND:			
Energy Development - Administration (EA).....	\$ 128	\$ 134	\$ 129
Energy Development Loans/Grants (EA).....	950	2,300	300
ENERGY DEVELOPMENT FUND TOTAL.....	\$ 1,078	\$ 2,434	\$ 429
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 656	\$ 677	\$ 725
ENVIRONMENTAL STEWARDSHIP FUND:			
Watershed Protection and Restoration (EA).....	\$ 24,696	\$ 27,547	\$ 26,961
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA).....	\$ 20,674	\$ 24,009	\$ 23,583
Hazardous Sites Cleanup (EA).....	18,546	27,000	26,000
Host Municipality Grants (EA).....	15	75	25
Transfer to Industrial Sites Cleanup Fund (EA).....	1,500	2,000	2,000
Small Business Pollution Prevention (EA).....	979	1,000	1,000
Transfer-Industrial Sites Environmental Assessment Fund (EA).....	2,000	2,000	2,000
Transfer to Household Hazardous Waste Account (EA).....	875	1,000	1,000
HAZARDOUS SITES CLEANUP FUND TOTAL.....	\$ 44,589	\$ 57,084	\$ 55,608
MINE SAFETY FUND:			
General Operations (EA).....	\$ 62	\$ 33	\$ 10
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 2,912	\$ 4,325	\$ 4,485
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance (EA).....	\$ 2,011	\$ 2,073	\$ 2,073
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA).....	\$ 1,600	\$ 1,600	\$ 1,600
Reimbursement for Municipal Inspection (EA).....	350	400	400
Reimburse-Host Municipality Permit Applications Review (EA).....	0	10	10
Administration of Recycling Program (EA).....	1,213	1,490	1,177
County Planning Grants (EA).....	563	2,000	2,000
Municipal Recycling Grants (EA).....	21,141	19,600	19,600
Municipal Recycling Performance Program (EA).....	16,725	18,500	19,000
Public Education/Technical Assistance (EA).....	2,740	4,027	3,839
RECYCLING FUND TOTAL.....	\$ 44,332	\$ 47,627	\$ 47,626
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA).....	\$ 74	\$ 50	\$ 100
STORAGE TANK FUND:			
General Operations (EA).....	\$ 6,883	\$ 7,161	\$ 5,748

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(F)Underground Storage Tanks (EA).....	1,750	1,750	1,750
(F)Leaking Underground Storage Tanks (EA).....	2,990	2,990	2,990
(A)Investment/Closing Cost Reimbursement.....	3,005	3,000	3,000
STORAGE TANK FUND TOTAL.....	\$ 14,628	\$ 14,901	\$ 13,488
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 3,530	\$ 7,352	\$ 6,445
UNCONVENTIONAL GAS WELL FUND:			
Transfer to Well Plugging Account.....	\$ 6,000	\$ 6,000	\$ 6,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Environmental Cleanup Program (EA).....	\$ 4,516	\$ 5,298	\$ 5,296
Pollution Prevention Program (EA).....	100	1,000	350
Catastrophic Release Program (EA).....	231	5,202	0
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 4,847	\$ 11,500	\$ 5,646
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 141,488	\$ 148,824	\$ 156,248
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	193,145	193,050	193,075
AUGMENTATIONS.....	34,441	35,237	35,614
RESTRICTED.....	1,500	1,387	1,010
OTHER FUNDS.....	263,788	318,644	305,106
TOTAL ALL FUNDS.....	\$ 634,362	\$ 697,142	\$ 691,053

^a Includes recommended supplemental appropriation of \$1,245,000.

^b Includes recommended supplemental appropriation of \$31,000.

^c Includes recommended supplemental appropriation of \$2,133,000.

^d Includes recommended supplemental appropriation of \$100,000.

^e Includes recommended supplemental appropriation of \$316,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 14,687	\$ 15,755	\$ 18,538	\$ 18,723	\$ 18,910	\$ 19,100	\$ 19,291
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,448	8,936	8,936	9,026	9,116	9,207	9,299
SUBCATEGORY TOTAL.....	<u>\$ 23,135</u>	<u>\$ 24,691</u>	<u>\$ 27,474</u>	<u>\$ 27,749</u>	<u>\$ 28,026</u>	<u>\$ 28,307</u>	<u>\$ 28,590</u>
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 126,801	\$ 133,069	\$ 137,710	\$ 139,043	\$ 140,390	\$ 141,749	\$ 143,123
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	193,145	193,050	193,075	193,075	193,075	193,075	193,075
OTHER FUNDS.....	291,281	346,332	332,794	336,924	338,930	341,339	342,739
SUBCATEGORY TOTAL.....	<u>\$ 611,227</u>	<u>\$ 672,451</u>	<u>\$ 663,579</u>	<u>\$ 669,042</u>	<u>\$ 672,395</u>	<u>\$ 676,163</u>	<u>\$ 678,937</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 141,488	\$ 148,824	\$ 156,248	\$ 157,766	\$ 159,300	\$ 160,849	\$ 162,414
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	193,145	193,050	193,075	193,075	193,075	193,075	193,075
OTHER FUNDS.....	299,729	355,268	341,730	345,950	348,046	350,546	352,038
DEPARTMENT TOTAL.....	<u><u>\$ 634,362</u></u>	<u><u>\$ 697,142</u></u>	<u><u>\$ 691,053</u></u>	<u><u>\$ 696,791</u></u>	<u><u>\$ 700,421</u></u>	<u><u>\$ 704,470</u></u>	<u><u>\$ 707,527</u></u>

Program: Environmental Support Services

Goal: To provide administrative and technical support for the commonwealth's environmental protection programs.

This program provides the administrative and technical systems that direct and support the department's programs. It includes the executive and administrative offices, the Office of Chief Counsel, information and data processing systems, the Citizens Advisory Council and the Environmental Quality Board.

The Environmental Hearing Board's purpose is to safeguard the environmental rights of Pennsylvania's citizens through appeals of actions taken or instituted by the Department of Environmental Protection and/or the private sector. It is included here for presentation purposes.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations
\$ 656	—to continue current program.
2,000	—Initiative—Information Technology Investments. To fund eFACTS replacement and enhance mobility capacity.
<u>2,656</u>	<i>Appropriation Increase</i>

	Environmental Hearing Board
\$ 127	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 12,432	\$ 13,376	\$ 16,032	\$ 16,192	\$ 16,354	\$ 16,518	\$ 16,683
Environmental Hearing Board	2,255	2,379	2,506	2,531	2,556	2,582	2,608
TOTAL GENERAL FUND	<u>\$ 14,687</u>	<u>\$ 15,755</u>	<u>\$ 18,538</u>	<u>\$ 18,723</u>	<u>\$ 18,910</u>	<u>\$ 19,100</u>	<u>\$ 19,291</u>

Program: Environmental Protection and Management

Goal: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the commonwealth, to protect people from dangerous or unnecessary radiation from natural and man-made sources, including occupational and medical exposure and to manage water and mineral resources in a way that protects their undue destruction and depletion while allowing economic benefits from their use.

This program helps 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 encompass major program elements including clean air, clean water, land protection, sustainable energy and safe, healthy communities.

Emissions of air contaminants are closely monitored and controlled by the department to protect public health as required by the federal Clean Air Act, the Pennsylvania Air Pollution Control Act of 1960 and regulations adopted under the acts. Pollutants of primary concern include ground-level ozone, particulate matter, sulfur and nitrogen oxides, volatile organic compounds, lead and toxic air pollutants. These air contaminants can aggravate or cause respiratory ailments.

The department also 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.

The department encourages waste reduction, promotes recycling and reuse of waste products and protects the public by providing for safe transportation and disposal of waste. Its principal program concerns are municipal waste, residual waste and hazardous waste.

The department regulates nearly 9,000 public water systems serving 10.7 million Pennsylvanians. The department also provides consultative services for the 700,000 private residential water supplies in Pennsylvania. The department carries out its duties and responsibilities through various programs and activities related to permitting, monitoring, compliance, enforcement and technical assistance. The department implements all aspects of the federal Safe Drinking Water Act; including drinking water standards, source water protection, operator training and certification and capability enhancement programs for public water systems to address technical, managerial and financial issues.

The department 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 also 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 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'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 incidents. While the department's major focus is response to spills to land and water, it also has significant involvement with air pollution incidents (fires or industrial-transportation-related releases) and leaking underground storage tanks.

The department's stream improvement programs protect lives and property through the construction of physical structures such as dams, levees, flood walls, channels, culverts and bank stabilization works. Major flood protection projects are generally designed to protect communities from damages from the 100-year, 24-hour flood event.

The department 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.

Efficient permitting and effective monitoring and inspection of industry are goals in protecting the environment, public health and safety. The department will seek to meet its permit decision guarantee review timeframes at least 95 percent of the time for complete and technically adequate permit applications submitted by 2020. The department will oversee and monitor industry demonstrating to the public that we are protecting resources and assuring the industry that all companies are subjected to the same level of scrutiny by conducting

Program: Environmental Protection and Management (continued)

26,500 inspections of conventional and unconventional oil and gas wells and support facilities, including pipelines.

Oil and Gas Well Inspections 2014-15

	Conventional Wells	Unconventional Wells
Inspections	12,462	12,877
Violations	1,170	349
Enforcement Actions	321	135

The department will ensure that the state plan to meet the U.S. Environmental Protection Agency's final "Carbon Pollution Emissions Guidelines for Existing Stationary Sources: Electric Utility Generating Units" or Clean Power Plan, is tailor-made for Pennsylvania's economy and people, protecting our indigenous resources and our position as a net energy exporter. This plan will likely

include a combination of programs and strategic objectives that will address climate disruption, and will provide the foundation to reduce carbon emissions from electricity generators by at least 8 million pounds by 2018.

Enhancing the value of watersheds is a primary focus which aligns several programs and agency objectives. While continuing work to restore land impacted by legacy environmental issues and improve local water quality through the Land Recycling Program and the Abandoned Mine Land Program, the agency will focus efforts on technical assistance and compliance efforts to ensure that municipal sewage and stormwater systems and agricultural operations are reducing nitrogen, phosphorous and sediment discharges into local waterways. Special focus will be given to compliance and enforcement activities within the Chesapeake Bay watershed.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			
Environmental Program Management			Black Fly Control and Research
\$ 1,563	—to continue current program.	\$ 24	—to continue current program.
Chesapeake Bay Agricultural Source Abatement			West Nile Virus Control
\$ 46	—to continue current program.	\$ 73	—to continue current program.
Environmental Protection Operations			Chesapeake Bay Commission
\$ 2,885	—to continue current program.	\$ 50	—to continue current program.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Environmental Program Management.....	\$ 28,517	\$ 29,522	\$ 31,085	\$ 31,396	\$ 31,710	\$ 32,027	\$ 32,347
Chesapeake Bay Agricultural Source Abatement	2,671	2,650	2,696	2,723	2,750	2,778	2,805
Environmental Protection Operations.....	84,438	89,305	92,190	93,112	94,043	94,983	95,933
Black Fly Control and Research	3,316	3,316	3,340	3,373	3,407	3,441	3,476
West Nile Virus Control	3,831	3,932	4,005	4,045	4,086	4,126	4,168
Delaware River Master	76	76	76	76	76	76	76
Susquehanna River Basin Commission	573	573	573	573	573	573	573
Interstate Commission on the Potomac River	46	46	46	46	46	46	46
Delaware River Basin Commission	434	750	750	750	750	750	750
Ohio River Valley Water Sanitation Commission.....	136	136	136	136	136	136	136
Chesapeake Bay Commission	227	227	277	277	277	277	277
Transfer to Conservation District Fund	2,506	2,506	2,506	2,506	2,506	2,506	2,506
Interstate Mining Commission	30	30	30	30	30	30	30
TOTAL GENERAL FUND	\$ 126,801	\$ 133,069	\$ 137,710	\$ 139,043	\$ 140,390	\$ 141,749	\$ 143,123

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Environmental Protection and Management

Objective: Reduce impacts of pollution to Pennsylvania's land, air and water resources.

Safe Waste Management

Tons of municipal solid waste recycled (in millions)	N/A	6.30	6.40	6.50	6.50	6.50	6.50
Tons of municipal solid waste disposed per capita	0.67	0.67	0.67	0.67	0.67	0.67	0.67

Protection of Air Quality

Percentage of population in counties attaining the 1997 ambient ozone standard	100%	100%	100%	100%	100%	100%	100%
Percentage of population in counties attaining the 2008 ambient ozone standard	90%	100%	100%	100%	100%	100%	100%
Percentage of population in counties attaining the 1997 ambient PM-2.5 (Fine particles) annual standard	100%	100%	100%	100%	100%	100%	100%
Percentage of population in counties attaining the 2012 Ambient PM-2.5 (Fine Particles) Annual Standard	85%	90.40%	90.40%	100%	100%	100%	100%
Hazardous air pollutant reductions (in tons)	9,200	7,500	7,300	6,200	6,200	6,200	6,200

Protection of Water Quality

Miles of impaired streams restored to attaining their designated use	N/A	50	N/A	50	N/A	50	N/A
Acres of impaired lakes restored to attaining their designated use	N/A	1,000	N/A	1,000	N/A	1,000	N/A
Acres of existing stream buffers protected	128	500	1,000	1,000	1,000	1,000	1,000
Acres of stream buffers installed	1,862	1,000	1,500	1,500	1,500	1,500	1,500

Restoration of Land

Sites currently in the Environmental Cleanup and Brownfields Voluntary Cleanup program	1,080	1,000	1,000	1,000	1,000	1,000	1,000
Site cleanups completed under the Environmental Cleanup and Brownfields Voluntary Cleanup program	389	350	350	350	350	350	350

Objective: Restore Pennsylvania lands impacted by legacy environmental issues.

Protection of Water Quality

Total number of treatment systems treating Acid Mine Drainage	338	345	350	355	360	365	370
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Restoration of Land

Response actions to hazardous substances completed	173	100	100	100	100	100	100
Leaking storage tank cleanups completed	548	300	300	300	300	300	300

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Percentage of storage tank releases cleaned up	88.50%	90%	90%	90%	90%	90%	90%
Number of acres reclaimed through the Government Financed Construction Contract program	90	202	90	90	90	90	90
Abandoned Mineland (AML) acres reclaimed	609	600	600	600	600	600	600
Cumulative acres of AML reclaimed since inception of AML program in 1977	30,180	30,780	31,380	31,980	32,580	33,180	33,780

Objective: Improve quality of life by protecting the health and safety of Pennsylvania citizens.

Safe Drinking Water

Percentage of community water systems meeting health based drinking water standards	92%	95%	95%	95%	95%	95%	95%
Percentage of public water systems with no reported cases of waterborne disease outbreaks	100%	100%	100%	100%	100%	100%	100%
Number of sanitary survey inspections conducted at public water systems	2,415	2,000	2,000	2,000	2,000	2,000	2,000
Number of water samples tested for private well owners	2,458	3,000	3,000	3,000	3,000	3,000	3,000

Nuisance and Vector Control

Acres treated for black fly control	531,846	400,000	350,000	350,000	350,000	350,000	350,000
Acres treated for West Nile Virus control	66,238	50,000	50,000	50,000	50,000	50,000	50,000

Mine Safety

Mine subsidence insurance policies - new	2,832	2,800	2,800	2,800	2,800	2,800	2,800
Mine subsidence policies issued	58,011	63,950	63,950	66,650	69,450	72,050	74,750
Lost-time accidents per 200,000 employee hours of exposure	2.24	2	2	2	2	2	2

Radiation Protection

Buildings with radon mitigated by certified installers (both residential and commercial)	11,518	11,900	12,300	12,700	13,100	13,500	13,900
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Objective: Reduce risks to communities posed by dams and stream flooding.

Dam Safety

Dam Emergency Action Plan compliance rate	92%	94%	96%	98%	99%	99%	99%
Percentage of deficient high-hazard dams	66.70%	65%	60%	50.30%	50.30%	50.30%	50.30%
Population at risk downstream of deficient high-hazard dams	1,465,963	1,400,000	1,300,000	1,200,000	1,200,000	1,200,000	1,200,000

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Percentage of high-hazard dams classified as safe	87.50%	90%	93%	95%	97%	99%	99%
Capital budget flood protection projects: Total authorized funds for projects under design/construction	\$173,551,311	\$216,051,311	\$219,491,331	\$224,704,494	\$225,626,831	\$203,515,243	\$192,199,602
Capital budget flood protection projects: Total construction cost of projects completed	\$0	\$25,000,000	\$3,000,000	\$11,767,663	\$29,661,588	\$21,515,641	\$12,660,000

Objective: Improve environmental health and safety through permitting, inspections and enforcement.

Department-wide Totals

Number of permit applications received	31,299	35,700	36,300	36,900	37,500	38,100	38,700
Number of permits issued department-wide	29,389	33,300	33,900	34,400	35,000	35,500	36,000
Percentage of permits processed on time (Permit Decision Guarantee)	88.39%	90%	91%	93%	94%	95%	95%
Number of inspections	94,618	95,564	96,520	97,485	98,460	99,444	100,439
Percentage of inspections with violations noted	13.91%	15%	15%	15%	15%	15%	15%
Number of violations	24,129	23,000	23,000	23,000	23,000	23,000	23,000
Number of violations resolved	23,169	21,900	21,900	21,900	21,900	21,900	21,900
Percentage of violations resolved	96%	95%	95%	95%	95%	95%	95%
Percentage of sites in full compliance with environmental regulations	81.07%	82%	82%	82%	82%	82%	82%

Protection of Water Quality

Number of wastewater facility inspections	6,042	6,000	6,000	6,000	6,000	6,000	6,000
Percentage of wastewater inspections with no recorded violations	73%	73%	73%	73%	73%	73%	73%
Percentage of wastewater violations remedied	63%	63%	63%	63%	63%	63%	63%
Number of wastewater systems with improved operational capability through optimization or other compliance assistance	28	30	30	30	30	30	30

Oil and Gas Management

Number of oil and gas drilling permits processed	3,604	2,500	3,000	3,500	3,500	3,500	3,500
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Mine Safety

Number of mining permits issued	659	800	800	800	800	800	800
Number of surface mine inspections	23,079	23,200	23,200	23,200	23,200	23,200	23,200
Number of deep mine safety inspections	1,149	1,175	1,175	1,175	1,175	1,175	1,175
Number of deep mine equipment approvals	198	225	225	225	225	225	225

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Number of deep mine miner certifications	1,027	1,050	1,050	1,050	1,050	1,050	1,050
Number of violations at deep mine sites, prep plants and refuse sites	1,614	1,675	1,675	1,675	1,675	1,675	1,675
Number of orders at deep mine sites, prep plants and refuse sites	513	550	550	550	550	550	550
Violations per order at deep mine sites, prep plants and refuse sites	3.15	3	3	3	3	3	3
Number of notices of violation (NOV) issued at surface mine sites	687	725	725	725	725	725	725
Number of violations cited in NOVs issued at surface mine sites	821	900	900	900	900	900	900
Violations per notice of violation at surface mine sites	1.20	1.24	1.24	1.24	1.24	1.24	1.24
Number of failure to abate cessation orders issued at surface mine sites	10	10	10	10	10	10	10
Number of imminent harm cessation orders issued at surface mine sites	33	50	50	50	50	50	50
Value of collected fines and penalties at surface mine sites	\$721,490	\$600,000	\$600,000	\$600,000	\$625,000	\$625,000	\$625,000
Safe Waste Management							
Number of waste clients and facilities	24,578	24,500	24,500	24,500	24,500	24,500	24,500
Number of waste inspections	6,042	6,000	6,000	6,000	6,000	6,000	6,000
Number of waste violations	3,859	4,000	4,000	4,000	4,000	4,000	4,000
Number of waste violations resolved	3,334	3,600	3,600	3,600	3,600	3,600	3,600
Protection of Air Quality							
Number of air quality authorizations issued (operating permits and air plan approvals)	695	718	741	764	787	811	835
Percentage of inspected facilities in full compliance with air quality regulations	81%	81.28%	81.50%	81.71%	81.89%	82.06%	82.28%



ETHICS COMMISSION

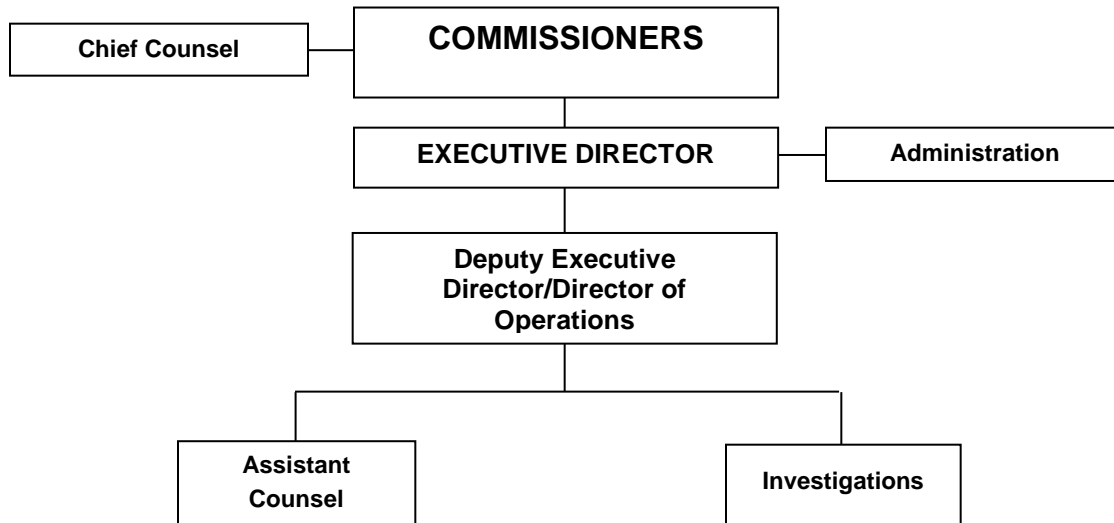
The mission of the State Ethics Commission is to promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.

The responsibilities of the commission include rendering advisory opinions to present or former public officials and public employees, or their appointing authorities, regarding such individuals' duties and responsibilities under the Ethics Act. The commission also investigates alleged violations of the Ethics Act and prescribes rules and regulations to implement the provisions of the act.

Programs and Goals

Executive Direction: *To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.*

Organization Overview



The commission has responsibilities with regards to the Ethics Act, the Lobbying Disclosure Law and the Gaming Act.

- **Ethics Act.** The commission administers and enforces financial disclosure requirements, provides advice and guidance in the form of written opinions to public officials and public employees regarding their responsibilities and duties under the Ethics Act, and investigates alleged violations of the Ethics Act.
- **Lobbying Disclosure Law.** The commission is authorized to issue advisory opinions as well as to conduct investigation and enforcement actions.
- **Gaming Act.** The commission biennially issues various lists of officials and positions subject to provisions of the Gaming Act, and provides determinations as to whether a particular individual or person would be subject to various prohibitions of the Gaming Act.

Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
26	26	26	27	27

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
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GENERAL FUND:

General Government:

State Ethics Commission.....	\$ 2,090	\$ 2,371	\$ 2,433
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Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
ETHICS COMMISSION							
GENERAL FUND.....	\$ 2,090	\$ 2,371	\$ 2,433	\$ 2,457	\$ 2,482	\$ 2,507	\$ 2,532
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>\$ 2,090</u>	<u>\$ 2,371</u>	<u>\$ 2,433</u>	<u>\$ 2,457</u>	<u>\$ 2,482</u>	<u>\$ 2,507</u>	<u>\$ 2,532</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,090	\$ 2,371	\$ 2,433	\$ 2,457	\$ 2,482	\$ 2,507	\$ 2,532
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	<u><u>\$ 2,090</u></u>	<u><u>\$ 2,371</u></u>	<u><u>\$ 2,433</u></u>	<u><u>\$ 2,457</u></u>	<u><u>\$ 2,482</u></u>	<u><u>\$ 2,507</u></u>	<u><u>\$ 2,532</u></u>

Program: Executive Direction

Goal: To promote public confidence in state and local government through its enforcement of the Ethics Act and related legislation.

The Pennsylvania State Ethics Commission is an independent state agency established by Act 170 of 1978 and is charged with the responsibility of enforcing the Public Official and Employee Ethics Act. The Ethics Act applies to public officials, public employees and candidates and nominees for public office. The commission's responsibilities under the act include rendering advisory opinions, enforcing the act as it relates to the filing of Statements of Financial Interests forms, investigating alleged violations of the act, issuing decisions in relation to such investigations and providing guidance and education to public officials and public employees regarding their duties and responsibilities under the law.

The commission also has additional responsibilities under the Lobbying Disclosure Law. These responsibilities include enforcing the reporting and registration provisions of the law as well as investigating alleged violations. The commission is also required to issue advisory opinions under the law.

Pursuant to the Pennsylvania Race Horse Development and Gaming Act, the commission is vested with responsibilities which include generating a public listing of all state, county, municipal, and other government positions meeting the definitions of the terms "public official" or "executive-level public employee" as set forth in the Gaming Act.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
State Ethics Commission
 \$ 62 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
State Ethics Commission.....	\$ 2,090	\$ 2,371	\$ 2,433	\$ 2,457	\$ 2,482	\$ 2,507	\$ 2,532

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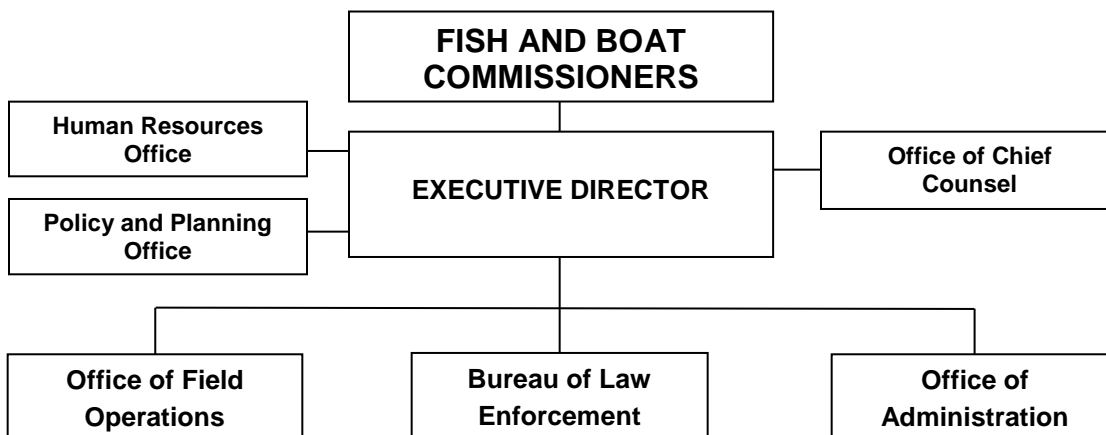
FISH AND BOAT COMMISSION

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 Goals

Recreational Fishing and Boating: *To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on commonwealth waters and to promote safe recreational use of these aquatic resources.*

Organization Overview



- **Deputy Director for the Office of Field Operations** manages, develops and coordinates the commission's Fisheries, Hatcheries, Boating & Outreach and Engineering programs.
- **Director of the Bureau of Law Enforcement** directs the enforcement of fish laws, boating laws and certain water pollution/disturbance laws of the commonwealth. Additionally, within the scope of commission activities, directs the enforcement of Title 18 (relating to crimes and offenses) and other misdemeanors and felonies.
- **Deputy Director for the Office of Administration** manages, develops and coordinates the commission's administrative, financial, information technology, public access and real estate programs.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
432	432	432	432	432

Fish and Boat Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
OTHER FUNDS:			
BOAT FUND:			
General Operations (EA).....	\$ 13,085	\$ 12,540	\$ 12,540
(F)Miscellaneous Boat Grants (EA).....	5,195	5,467	5,112
(R)Improvement of Hazardous Dams.....	0	8,730	8,730
BOAT FUND TOTAL.....	\$ 18,280	\$ 26,737	\$ 26,382
FISH FUND:			
General Operations (EA).....	\$ 34,198	\$ 34,210	\$ 34,024
(F)Miscellaneous Fish Grants (EA).....	8,762	9,788	7,257
(A)Reimbursement for H2O PA Act.....	1,656	11,000	0
FISH FUND TOTAL.....	\$ 44,616	\$ 54,998	\$ 41,281
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 40	\$ 40	\$ 40
UNCONVENTIONAL GAS WELL FUND:			
Gas Well Fee Administration.....	\$ 1,000	\$ 1,000	\$ 1,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	63,936	82,775	68,703
TOTAL ALL FUNDS.....	\$ 63,936	\$ 82,775	\$ 68,703

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
RECREATIONAL FISHING AND BOATING							
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.....	63,936	82,775	68,703	69,379	70,063	70,753	71,451
SUBCATEGORY TOTAL.....	<u>\$ 63,936</u>	<u>\$ 82,775</u>	<u>\$ 68,703</u>	<u>\$ 69,379</u>	<u>\$ 70,063</u>	<u>\$ 70,753</u>	<u>\$ 71,451</u>
ALL PROGRAMS:							
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.....	63,936	82,775	68,703	69,379	70,063	70,753	71,451
DEPARTMENT TOTAL.....	<u><u>\$ 63,936</u></u>	<u><u>\$ 82,775</u></u>	<u><u>\$ 68,703</u></u>	<u><u>\$ 69,379</u></u>	<u><u>\$ 70,063</u></u>	<u><u>\$ 70,753</u></u>	<u><u>\$ 71,451</u></u>

Program: Recreational Fishing and Boating

Goal: To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on commonwealth waters and to promote safe recreational use of these aquatic resources.

Founded in 1866, the Fish & Boat Commission is charged with protecting, conserving and enhancing the commonwealth's aquatic resources, including waterways—streams, rivers, lakes, reservoirs and wetlands—fish, reptile and amphibian communities and habitats of game and non-game species. From stocking waterways and measuring the health of native animal populations to patrolling lakes and restoring habitats, the commission's employees strive to protect, manage and restore the resource. High-quality streams, clean water

and good habitat ensure that the commission can carry out the other part of its mission, to provide recreational fishing and boating opportunities for both Pennsylvanians and out-of-state visitors.

The commission is governed by a Board of Commissioners whose 10 members are appointed by the governor. In addition, the Boating Advisory Board, a group of knowledgeable boaters appointed by the governor, advises the commission on boating matters.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

FISH FUND
General Operations (EA)
 \$ -186 —reduction in administrative costs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
FISH FUND:							
General Operations (EA)	\$ 34,198	\$ 34,210	\$ 34,024	\$ 34,364	\$ 34,708	\$ 35,055	\$ 35,406
BOAT FUND:							
General Operations (EA)	\$ 13,085	\$ 12,540	\$ 12,540	\$ 12,665	\$ 12,792	\$ 12,920	\$ 13,049

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Recreational Fishing and Boating							
Objective: Protect, conserve, and enhance aquatic resources and habitats							
Number of small dam removals	22	22	22	22	22	22	22
Number of lake habitat improvement plans implemented	34	34	34	34	34	34	34
Number of streams surveyed to determine whether there are naturally reproducing trout in these previously unassessed waters most at risk from the effects of human activities	1,060	878	878	878	878	878	878
Number of students reached through the Trout in the Classroom coldwater conservation program	29,863	29,863	29,863	29,863	29,863	29,863	29,863
Objective: Engage in targeted education and outreach activities that address the five key elements of fishing and boating participation and engage partners to enhance the Commission's efforts through the multiplier effect at the local level.							
Number of individuals reached through fishing education programs (including Family Fishing Programs, SMART Angler clinics, etc.)	5,085	5,085	5,085	5,085	5,085	5,085	5,085
Number of Mentored Youth Permits and Voluntary Youth Fishing Licenses issued	28,118	11,000	11,000	11,000	11,000	11,000	11,000
Objective: Conduct outreach and informational efforts designed to reduce boating-related casualties, maintain water rescue program to provide necessary training for emergency response personnel to safely and effectively respond to water-related emergencies, and pursue new public access as resources allow.							
Number of boating under the influence (BUI) citations issued by Waterways Conservation Officers.	91	91	91	91	91	91	91
Number of boating safety education certificates issued.	13,355	13,355	13,355	13,355	13,355	13,355	13,355
Linear feet of public access secured through fishing, boating and conservation easements.	6,295	6,295	6,295	6,295	6,295	6,295	6,295
Number of schools receiving trout eggs through the Trout in the Classroom program	260	260	260	260	260	260	260
Actively registered boats	322,454	319,671	333,000	333,000	333,000	333,000	333,000
Number of fishing licenses sold	841,419	837,324	887,000	887,000	887,000	887,000	887,000
Objective: Optimize agency efficiency through continuation of investments in information technology, employee training and development, and infrastructure planning and implementation.							
Number of website visits	3,699,485	3,699,485	3,699,485	3,699,485	3,699,485	3,699,485	3,699,485
Number of FishBoatPA mobile app users	29,787	29,787	29,787	29,787	29,787	29,787	29,787



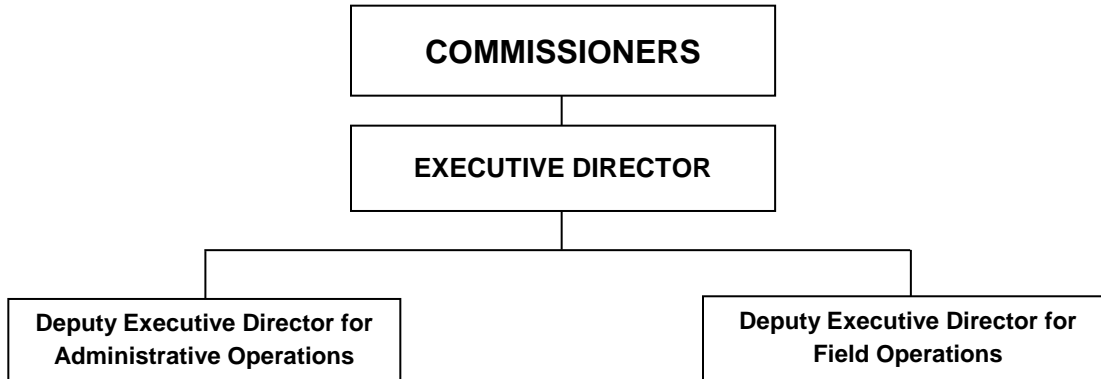
GAME COMMISSION

The mission of the Game Commission is to manage Pennsylvania's wild birds, wild mammals and their habitats for current and future generations.

Programs and Goals

Wildlife Management: *To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.*

Organization Overview



- **Deputy Executive Director for Administrative Operations** is responsible for assisting in the planning and directing of statewide wildlife management programs for the Pennsylvania Game Commission and developing and maintaining administrative procedures for the day-to-day management of the agency through coordination of the agency's bureau directors.
- **Deputy Executive Director for Field Operations** is responsible for overseeing and directing agency regional field operations statewide through coordination of the agency's regional directors.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
698	708	708	708	714

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>OTHER FUNDS:</u>			
GAME FUND:			
General Operations (EA).....	\$ 77,690	\$ 78,294	\$ 71,918
(F)Pittman-Robertson Act (EA).....	28,000	25,000	25,000
(F)Miscellaneous Wildlife Grants (EA).....	1,095	2,144	3,061
(R)Natural Propagation of Wildlife.....	7,500	7,500	7,500
Land Acquisition and Development (EA).....	400	150	0
GAME FUND TOTAL.....	\$ 114,685	\$ 113,088	\$ 107,479
STATE GAMING FUND:			
Payments in Lieu of Taxes (EA).....	\$ 3,586	\$ 3,686	\$ 3,686
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	118,271	116,774	111,165
TOTAL ALL FUNDS.....	\$ 118,271	\$ 116,774	\$ 111,165

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
WILDLIFE MANAGEMENT							
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.....	118,271	116,774	111,165	112,202	113,249	114,307	115,376
SUBCATEGORY TOTAL.....	<u>\$ 118,271</u>	<u>\$ 116,774</u>	<u>\$ 111,165</u>	<u>\$ 112,202</u>	<u>\$ 113,249</u>	<u>\$ 114,307</u>	<u>\$ 115,376</u>
ALL PROGRAMS:							
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.....	118,271	116,774	111,165	112,202	113,249	114,307	115,376
DEPARTMENT TOTAL.....	<u><u>\$ 118,271</u></u>	<u><u>\$ 116,774</u></u>	<u><u>\$ 111,165</u></u>	<u><u>\$ 112,202</u></u>	<u><u>\$ 113,249</u></u>	<u><u>\$ 114,307</u></u>	<u><u>\$ 115,376</u></u>

Program: Wildlife Management

Goal: To establish habitats and environments that will sustain wildlife populations for recreational uses and for the perpetuation of species.

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. The commission achieves its mission through wildlife research, management of game habitat, operation of programs for endangered and threatened species and enforcement of the Game and Wildlife Code. Wildlife conservation officers enforce the provisions of the Game and Wildlife Code to protect the natural balance of the commonwealth's wildlife population.

The primary means of ensuring the propagation and preservation of wildlife is properly managing land and game habitats. The commission currently administers approximately 1.5 million acres of State Game Lands and is judiciously acquiring additional lands, including critically important wetlands. The commission also administers cooperative programs to encourage good land use management and habitat improvement by private

landowners. Wildlife habitat assessment techniques are used to develop management plans. These assessments apply to all Pennsylvania state game lands, farm game projects and other areas actively managed by the Game Commission.

All species receive mandated protection. However, those species considered game animals, such as deer, turkey and bear, receive the most attention. The number of antlerless deer licenses available for sale is based on the deer population projections. The optimal number of deer is based on acres of forested land in the commonwealth. Hunting, while recreational in nature, is a wildlife management tool as well. Future year projection numbers indicate the number of deer that need to be harvested to sustain the population. Also protected by the commission are endangered and threatened species such as Allegheny woodrats, ospreys and peregrine falcons.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GAME FUND
General Operations (EA)
\$ -6,376 —reduction in administrative costs.

Land Acquisition and Development (EA)
\$ -150 —elimination of funding.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GAME FUND:							
General Operations (EA)	\$ 77,690	\$ 78,294	\$ 71,918	\$ 72,637	\$ 73,363	\$ 74,097	\$ 74,838
Land Acquisition and Development (EA) ...	400	150	0	0	0	0	0
TOTAL GAME FUND.....	\$ 77,690	\$ 78,294	\$ 71,918	\$ 72,637	\$ 73,363	\$ 74,097	\$ 74,838

Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Wildlife Management

Objective: Ensure the propagation and preservation of wildlife through land and game management.

Number of hunting licenses sold	943,836	953,888	963,940	973,992	984,044	994,096	1,004,148
Arrests for violation of game laws	7,763	8,224	8,224	8,224	8,224	8,224	8,224



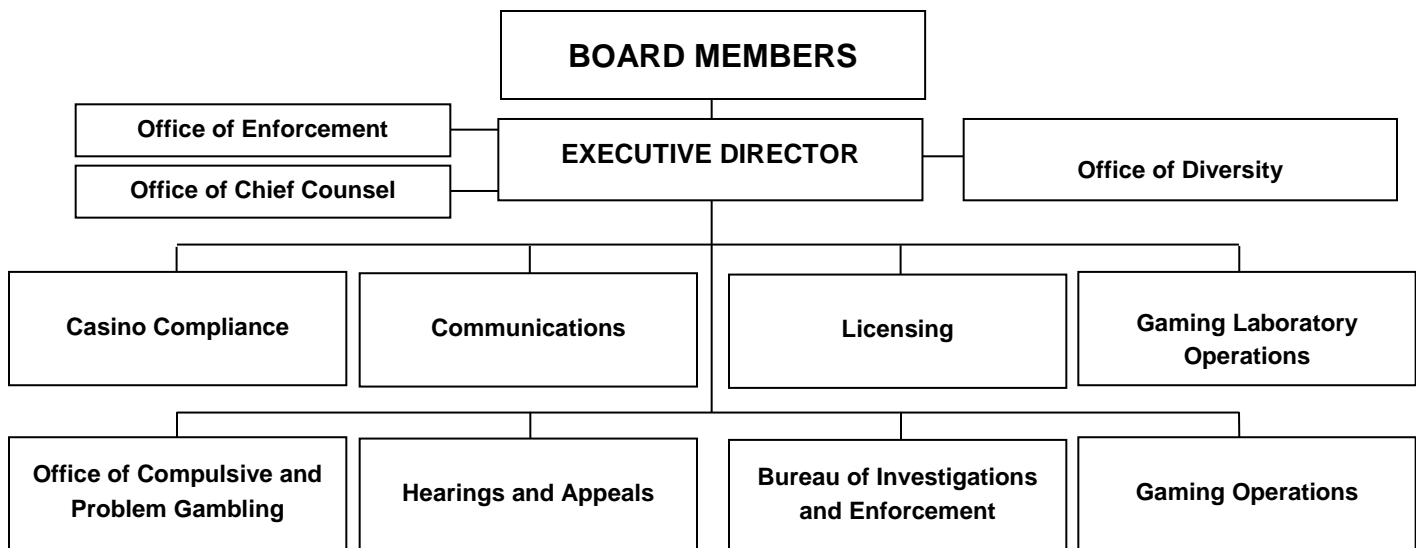
GAMING CONTROL BOARD

The Gaming Control Board protects the interest of the public by ensuring the integrity of legalized gaming through the strict enforcement of the law and regulations, the licensing of qualified individuals and entities, and fulfilling the objectives of legalized gaming in the commonwealth to deliver a significant source of revenue, assist the horse racing industry, provide broad economic opportunities and enhance tourism.

Programs and Goals

Gaming Regulation: *To protect the interest of the public by ensuring the integrity of legalized gaming and supporting the objectives of legalized gaming in the commonwealth to deliver a significant source of revenue, assist the horse racing industry, provide broad economic opportunities and enhance tourism.*

Organization Overview



- **Casino Compliance** oversees the onsite presence of compliance officers at all casinos to assure the integrity of gaming, including the proper collection, counting and recording of gaming revenue.
- **Communications** is responsible for media and public relations, along with ensuring that the board's business is visible to the citizens of Pennsylvania.
- **Licensing** oversees the licensing of the state's casinos and other gaming related companies doing business in the state as well as the employees working in and supporting the gaming industry.
- **Gaming Laboratory Operations** ensures the performance and integrity of slot machines and associated equipment in Pennsylvania casinos.
- **Office of Compulsive and Problem Gambling** oversees the state's Self-Exclusion Program, reviews casinos' Compulsive and Problem Gambling Plans and collaborates with other state agencies as well as national and state problem gambling organizations on problem gambling prevention, education, awareness and outreach.
- **Hearings and Appeals** oversees the hearing and appeals process.
- **Bureau of Investigations and Enforcement** ensures the integrity of the commonwealth's gaming industry through conducting suitability and regulatory investigations.
- **Gaming Operations** oversees a staff whose responsibilities include compliance auditing and the review and approval of accounting and internal controls, table game rules and equipment including cards, dice and chips.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
328	326	311	313	309

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>OTHER FUNDS:</u>			
STATE GAMING FUND:			
(R)Administration.....	\$ 30,900	\$ 32,900	\$ 34,864
(R)General Operations.....	7,000	7,000	5,755
(R)Tavern Games - Investigations.....	27	50	50
Local Law Enforcement Grants (EA).....	2,000	2,000	2,000
STATE GAMING FUND TOTAL.....	\$ 39,927	\$ 41,950	\$ 42,669

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GAMING REGULATION							
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.....	39,927	41,950	42,669	43,018	43,370	43,726	44,085
SUBCATEGORY TOTAL.....	<u>\$ 39,927</u>	<u>\$ 41,950</u>	<u>\$ 42,669</u>	<u>\$ 43,018</u>	<u>\$ 43,370</u>	<u>\$ 43,726</u>	<u>\$ 44,085</u>
ALL PROGRAMS:							
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.....	39,927	41,950	42,669	43,018	43,370	43,726	44,085
DEPARTMENT TOTAL.....	<u><u>\$ 39,927</u></u>	<u><u>\$ 41,950</u></u>	<u><u>\$ 42,669</u></u>	<u><u>\$ 43,018</u></u>	<u><u>\$ 43,370</u></u>	<u><u>\$ 43,726</u></u>	<u><u>\$ 44,085</u></u>

Program: Gaming Regulation

Goal: To protect the interest of the public by ensuring the integrity of legalized gaming and supporting the objectives of legalized gaming in the commonwealth to deliver a significant source of revenue, assist the horse racing industry, provide broad economic opportunities and enhance tourism.

To ensure the integrity of gaming in Pennsylvania, Gaming Control Board staff is present all day, every day in the commonwealth's twelve casino venues. Board staff document and investigate all patron complaints, identify potential regulatory violations, and ensure the proper collection, counting and recording of gaming revenue in accordance with state law and board regulations.

The Bureau of Investigations and Enforcement within the Gaming Control Board, ensures the integrity of the commonwealth's gaming industry and protects citizens' interests through enforcement and investigations. The bureau investigates all casino employees, manufacturers of gaming equipment, casino operators, and gaming service providers to determine suitability prior to those individuals and entities working in Pennsylvania's gaming industry. The bureau completes approximately 8,000 investigations annually.

The Gaming Control Board also operates a gaming lab to test all casino-related products to certify regulatory compliance for minimum design standards and the 85 percent minimum slot payback mandated by law and to ensure casinos utilize approved products only. The lab reviews an average of more than 10,000 pay tables

for minimum standards and payback percentages and approximately 19,000 gaming devices annually.

To assist problem gamblers find help and to heighten awareness of problem gambling, the Gaming Control Board maintains an Office of Compulsive and Problem Gambling. This office ensures that every casino operator has established, and complies with, an approved compulsive and problem gambling plan.

The Gaming Control Board promotes and ensures diversity in all aspects of the casino operations and works with the casino industry to maximize employment opportunities for all Pennsylvania residents.

In addition, the Gaming Control Board regularly monitors and reports the impact casino gaming has on the horse racing industry and establishes and maintains effective relationships with key industry stakeholders.

Several state agencies provide support to the Gaming Control Board. The Department of Revenue manages a centralized computer system, which monitors the operation of all licensed gaming machines. The Pennsylvania State Police and the Attorney General provide criminal law enforcement oversight of the gaming industry.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

STATE GAMING FUND

This budget recommends a total of \$40,619,000 from restricted accounts in the State Gaming Fund for the operation of the Gaming Control Board in the 2016-17 fiscal year.

In addition, \$50,000 of tavern games investigations revenue will support this program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
STATE GAMING FUND:							
(R)Administration.....	\$ 30,900	\$ 32,900	\$ 34,864	\$ 35,213	\$ 35,565	\$ 35,921	\$ 36,280
(R)General Operations	7,000	7,000	5,755	5,755	5,755	5,755	5,755
(R)Tavern Games - Investigations	27	50	50	50	50	50	50
Local Law Enforcement Grants (EA)	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL STATE GAMING FUND.....	\$ 39,927	\$ 41,950	\$ 42,669	\$ 43,018	\$ 43,370	\$ 43,726	\$ 44,085

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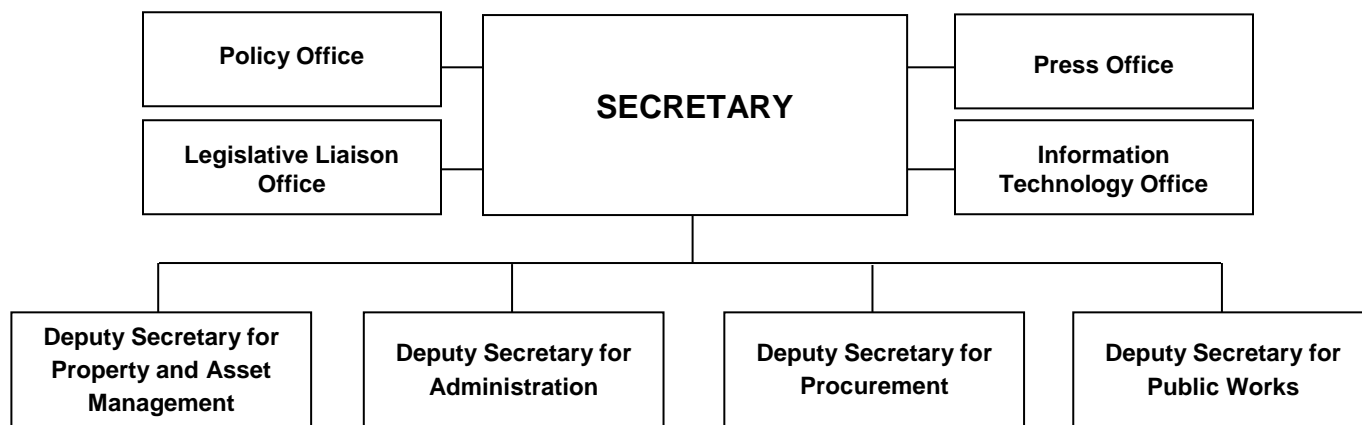
DEPARTMENT OF GENERAL SERVICES

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 the commonwealth's buildings and non-highway infrastructure, the department reaches for unparalleled customer service and continuous improvement while fostering sensible, sustainable and transparent government.

Programs and Goals

Facility, Property and Commodity Management: *To maintain the commonwealth's real property and facilities; to provide commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.*

Organization Overview



- **Deputy Secretary for Property and Asset Management** is responsible for the operation and maintenance of the Capitol Complex, for all commonwealth-owned and operated properties, Vehicle Management, Capitol events, Capitol Police and Energy Management.
- **Deputy Secretary for Administration** is responsible for the bureaus of Human Resources, Commonwealth Media Services, Real Estate, Risk and Insurance Management, and Financial and Management Services.
- **Deputy Secretary for Procurement** is responsible for the bureaus of Procurement, Small Business Opportunities, Publications, and Supplies and Surplus Operations.
- **Deputy Secretary for Public Works** is responsible for the Office of Energy Management and the bureaus of Professional Selections and Administrative Services, Engineering and Architecture, and Construction.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
1,138	1,061	999	1,003	954

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 62,387	\$ 64,136^a	\$ 53,503
(A)Federal Surplus Property.....	2,652	1,788	2,137
(A)State Surplus Property.....	597	450	600
(A)State Buildings Use.....	157	147	204
(A)Employee Liability Self Insurance Program.....	412	421	447
(A)Newsroom Services.....	5	5	5
(A)Administrative Services.....	82	91	86
(A)Plans and Specifications.....	21	10	0
(A)Media Center Reimbursements.....	1,287	1,120	955
(A)Recycling Program.....	416	675	400
(A)Metrology Fees.....	242	236	246
(A)CoStar Program.....	1,938	1,700	1,775
(A)Centralized Procurement.....	12,395	9,587	10,438
(A)Energy Office Management Fees.....	172	0	0
(A)DGS Annex.....	372	383	308
(A)E-Verify.....	17	2	2
(A)Small Business Opportunities.....	48	48	0
(A)Real Estate Services.....	742	756	757
(A)Public Works Modernization.....	0	0	14,868 ^b
Subtotal.....	\$ 83,942	\$ 81,555	\$ 86,731
Capitol Police Operations.....	11,881	12,288^c	12,736
(A)Capitol Police Services.....	300	184	188
Subtotal.....	\$ 12,181	\$ 12,472	\$ 12,924
Rental and Municipal Charges.....	24,162	25,469	24,539
(A)Agency Rental Charges.....	336	366	351
(A)Real Estate Lease Reimbursements.....	25,865	24,467	27,357
Subtotal.....	\$ 50,363	\$ 50,302	\$ 52,247
Utility Costs.....	21,003	22,640	22,640
(A)ESCO Interest.....	12	0	0
(A)DGS Annex.....	153	215	156
(A)Energy Office.....	42	0	0
Subtotal.....	\$ 21,210	\$ 22,855	\$ 22,796
Excess Insurance Coverage.....	1,099	1,288	1,327
Subtotal - State Funds.....	\$ 120,532	\$ 125,821	\$ 114,745
Subtotal - Augmentations.....	48,263	42,651	61,280
Total - General Government.....	\$ 168,795	\$ 168,472	\$ 176,025
<i>Grants and Subsidies:</i>			
Capitol Fire Protection.....	\$ 496	\$ 496	\$ 5,000
STATE FUNDS.....	\$ 121,028	\$ 126,317	\$ 119,745
AUGMENTATIONS.....	48,263	42,651	61,280
GENERAL FUND TOTAL.....	\$ 169,291	\$ 168,968	\$ 181,025
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Harristown Rental Charges (EA).....	\$ 92	\$ 121	\$ 111
Harristown Utility and Municipal Charges (EA).....	207	199	195
Total - General Government.....	\$ 299	\$ 320	\$ 306
<i>Grants and Subsidies:</i>			

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Tort Claims Payments.....	\$ 10,000	\$ 10,000	\$ 10,000
MOTOR LICENSE FUND TOTAL.....	\$ 10,299	\$ 10,320	\$ 10,306
OTHER FUNDS:			
GENERAL FUND:			
Temporary Fleet Vehicles.....	\$ 1,200	\$ 1,500	\$ 1,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 121,028	\$ 126,317	\$ 119,745
SPECIAL FUNDS.....	10,299	10,320	10,306
AUGMENTATIONS.....	48,263	42,651	61,280
OTHER FUNDS.....	1,200	1,500	1,500
TOTAL ALL FUNDS.....	\$ 180,790	\$ 180,788	\$ 192,831

^a Includes recommended supplemental appropriation of \$929,000.

^b Includes transfer of \$13,317,000 from General Government Operations and \$1,551,000 for a staffing realignment.

^c Includes recommended supplemental appropriation of \$205,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 121,028	\$ 126,317	\$ 119,745	\$ 120,891	\$ 122,050	\$ 123,221	\$ 124,403
SPECIAL FUNDS.....	10,299	10,320	10,306	10,306	10,306	10,306	10,306
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	49,463	44,151	62,780	63,409	64,044	64,686	65,334
SUBCATEGORY TOTAL.....	<u>\$ 180,790</u>	<u>\$ 180,788</u>	<u>\$ 192,831</u>	<u>\$ 194,606</u>	<u>\$ 196,400</u>	<u>\$ 198,213</u>	<u>\$ 200,043</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 121,028	\$ 126,317	\$ 119,745	\$ 120,891	\$ 122,050	\$ 123,221	\$ 124,403
SPECIAL FUNDS.....	10,299	10,320	10,306	10,306	10,306	10,306	10,306
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	49,463	44,151	62,780	63,409	64,044	64,686	65,334
DEPARTMENT TOTAL.....	<u><u>\$ 180,790</u></u>	<u><u>\$ 180,788</u></u>	<u><u>\$ 192,831</u></u>	<u><u>\$ 194,606</u></u>	<u><u>\$ 196,400</u></u>	<u><u>\$ 198,213</u></u>	<u><u>\$ 200,043</u></u>

Program: Facility, Property and Commodity Management

Goal: To maintain the commonwealth's real property and facilities; to provide commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.

The Department of General Services oversees the procurement of goods and services, manages non-highway capital projects and is responsible for numerous core operations of state government, including management of the vehicle fleet, Capitol Police force and state buildings and facilities, disposition of surplus property and general printing operations. The department also serves as the state's real estate agent and insurance broker and oversees the commonwealth's media services and minority and women-owned business programs.

Procurement

The Bureau of Procurement is responsible for purchasing and contracting for services, equipment and supplies for the commonwealth and establishing procurement policy for all state agencies. In total, the bureau oversees more than \$3.5 billion in goods and services for the commonwealth each year, ranging from office supplies to computers to vehicles. Contracts are negotiated to leverage the aggregate purchasing power of commonwealth agencies for best pricing. By employing commercial best practices such as strategic sourcing and reverse auctions, the department plays a central role in the Governor's Office of Transformation, Innovation and Management Efficiency's (GO-TIME) savings goals.

Public Works

The department's public works bureaus manage every aspect of the design and construction of all non-highway capital construction projects for the commonwealth. In 2015-16, the department began a comprehensive modernization effort. By the end of 2016, Public Works will have replaced its decades-old, paper-based procedures and systems with a new software platform and business processes designed to manage capital projects more efficiently and effectively. Under the new plan, costs related to project management will be covered by a project administration fee, saving millions per year in personnel and operating costs in the General Fund.

Vehicles

The Bureau of Vehicle Management maintains and oversees the commonwealth's fleet of approximately 10,000 passenger vehicles. The bureau approves and tracks the maintenance and repairs of all fleet vehicles to ensure compliance with manufacturers' suggested service programs and monitors operating costs.

The bureau works continuously to refine commonwealth policies and procedures governing vehicle assignments, vehicle replacement and personal mileage reimbursement in order improve returns on the fleet investment and control

total transportation costs.

Capitol Police

The Pennsylvania Capitol Police are responsible for protecting and serving state employees, public officials and visitors to the Capitol Complex as well as department-managed state office buildings and grounds. This mission is accomplished with security guards and sworn police officers. The Pennsylvania Capitol Police is a state and internationally accredited law enforcement agency, receiving certifications by the Commission on Accreditation for Law Enforcement Agencies and the Pennsylvania Law Enforcement Accreditation Commission. Capitol Police Officers are certified police officers with the Municipal Police Officers Education and Training Commission.

Federal and State Surplus

The Bureau of Supplies and Surplus Operations administers both federal and state surplus property programs. Federal surplus property is donated to state agencies, local municipalities, nonprofit organizations and law enforcement entities for a nominal service charge. During 2014-15, federal property originally valued at \$19.8 million was distributed to eligible organizations. The State Surplus Division distributes this property among commonwealth and local agencies. Thereafter, goods are recycled or sold to the public through on-site auctions or internet sales. This division also conducts private sales of Department of Transportation heavy equipment to municipalities. Revenue generated from the recycling or sale of state surplus property was more than \$6.3 million in 2014-15.

Publications

The Bureau of Publications provides web graphics, graphic design, printing, mailing and signage services to all state agencies and commissions. Projects include annual reports, brochures, newsletters, logos, stationery, book covers, variable data printing and mass mailings. The printing operation provides a variety of printing services including graphic design, security printing, application programming, envelope insertion and mailing services. The State Sign Shop delivers signage, engraving and banner services. The bureau also produces the Pennsylvania Manual and the Commonwealth Telephone Directory. In addition, the bureau hosts a web application <http://www.papublisher.com> used by commonwealth agencies, commissions and offices. The site maintains digital catalogs for on demand printing and direct distribution to any location.

Program: Facility, Property and Commodity Management (continued)

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 department's current portfolio of leased and owned space comprises more than 1,100 property leases, over 14 million square feet, and over 4,300 leased parking spaces. The Leasing Division reviews, analyzes, negotiates and administers leases on behalf of the commonwealth including retail leases needed by the Pennsylvania Liquor Control Board. The Space Management Division analyzes space requests and allocates space to departments, boards and commissions in state-owned and leased facilities. The Real Estate Acquisitions and Dispositions Land Management Division acquires real property for capital projects and disposes of real property owned by the commonwealth and designated as surplus. This division also prepares the surplus annual real property disposition plan and administers all leases, licenses and easements involving commonwealth property. The Real Estate Services Division maintains an inventory of facility and building information, a portfolio of commonwealth leases and building maintenance records.

Risk and Insurance

The department handles tort claims, in conjunction with the Office of Attorney General, brought against the commonwealth, its officials and employees. The commonwealth's use of sovereign immunity as a defense against tort claims is limited in specific areas: vehicle liability, medical professional liability, personal property, commonwealth real estate, potholes and other dangerous conditions. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends against those claims in litigation.

Facilities

The department is responsible for the management and maintenance of 20 state-owned office buildings in and around the Capitol Complex, two executive residences,

two Harrisstown leased buildings, the master lease of Forum Place and 53 buildings on the former Harrisburg State Hospital complex. Outside of the Harrisburg area, the department operates the Scranton and Reading state office buildings and master leased buildings in Philadelphia and Pittsburgh. In total, these facilities contain nearly 7.5 million square feet of office space, with 280.3 acres of grounds, parking and roadway areas.

Small Business Opportunities

The department provides staff support for the Governor's Advisory Council on Diversity, Inclusion and Small Business Opportunities and is responsible for implementing key provisions of Executive Order 2015 – 11.

The department develops programs and policies designed to increase opportunities for small businesses and small diverse businesses such as those owned by veterans, minorities, women and the disabled community in Pennsylvania. The department provides assistance with navigating the state contracting process, completing certification requirements and ensuring contract compliance.

Commonwealth Media Services

The Bureau of Commonwealth Media Services provides studio and remote broadcast television services, fixed and remote satellite uplinking, electronic asset management and archiving, web animation and graphics, website and application development, electronic signage and a host of other services. News conferencing facilities and services are provided both at the Capitol Media Center and remotely. Additionally, the bureau provides a full range of creative services incorporated into the production of documentaries, educational, promotional, training and public service programs. The bureau is part of the commonwealth's emergency communications infrastructure, providing broadcast video, audio, photographic and web streaming services on a continuous basis during commonwealth emergencies.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND					
General Government Operations					Excess Insurance Coverage
\$ 2,684	—to continue current program.		\$ 39		—increase in administrative costs.
–13,317	—Initiative—Public Works Modernization. To better manage construction projects and reduce costs.			\$ 4,504	Capitol Fire Protection
					—grant transferred from the Department of Community and Economic Development.
–10,633	<i>Appropriation Decrease</i>				MOTOR LICENSE FUND
					Harrisstown Rental Charges (EA)
\$ 448	Capitol Police Operations		\$ –10		—decrease in pro rata share of charges.
	—to continue current program.				Harrisstown Utility and Municipal Charges (EA)
\$ –930	Rental and Municipal Charges		\$ –4		—decrease in pro rata share of charges.
	—decrease in lease costs.				

All other appropriations are recommended at the current year funding levels.

Program: Facility, Property and Commodity Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	62,387	64,136	53,503	54,038	54,578	55,124	55,675
Capitol Police Operations	11,881	12,288	12,736	12,863	12,992	13,122	13,253
Rental and Municipal Charges	24,162	25,469	24,539	24,784	25,032	25,282	25,535
Utility Costs	21,003	22,640	22,640	22,866	23,095	23,326	23,559
Excess Insurance Coverage	1,099	1,288	1,327	1,340	1,353	1,367	1,381
Capitol Fire Protection	496	496	5,000	5,000	5,000	5,000	5,000
TOTAL GENERAL FUND	\$ 121,028	\$ 126,317	\$ 119,745	\$ 120,891	\$ 122,050	\$ 123,221	\$ 124,403
MOTOR LICENSE FUND:							
Harristown Rental Charges (EA)	\$ 92	\$ 121	\$ 111	\$ 111	\$ 111	\$ 111	\$ 111
Harristown Utility and Municipal Charges (EA)	207	199	195	195	195	195	195
Tort Claims Payments	10,000	10,000	10,000	10,000	10,000	10,000	10,000
TOTAL MOTOR LICENSE FUND	\$ 10,299	\$ 10,320	\$ 10,306	\$ 10,306	\$ 10,306	\$ 10,306	\$ 10,306

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Facility, Property and Commodity Management

Objective: Generate procurement savings for the commonwealth.

Procurement

Annual DGS procurement related savings (in thousands)	\$64,499	\$100,000	\$95,000	\$90,000	\$85,000	\$80,000	\$75,000
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Torts

Average cost per insurance settlement (pre litigation only)	\$570	\$595	\$620	\$640	\$670	\$700	\$730
Insurance claims settled per year (pre litigation only)	1,800	1,900	2,000	2,100	2,000	2,100	2,000

Objective: Increase participation of and opportunity for small businesses and small diverse businesses.

Small Diverse Businesses

Percentage of commonwealth contract spending awarded to small and small diverse businesses	10%	11%	13%	15%	17%	19%	21%
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Objective: Increase percentage of projects completed annually that are within 105 percent of the original project award.

Public Works

Maintain Error/Omission changes to no more than 15 percent of total change order cost	5%	9%	9%	8%	8%	7%	7%
Percentage of projects completed annually with final project construction contract costs at time of final inspection within 105 percent of the original construction award	61%	65%	70%	75%	80%	90%	90%

Objective: Complete construction projects within the initial scheduled completion date, allowing additional time for severe weather only.

Public Works

Percentage of projects within the original scheduled completion date, while allowing extensions of time only for severe weather	80%	80%	85%	85%	100%	100%	100%
Percentage of all construction contracts executed within 45 days of the Notice of Award	91%	100%	100%	100%	100%	100%	100%

Objective: Decrease the amount of unused and underutilized leased office space.

Real Estate

Total square footage reduced each year	145,312	85,700	85,700	85,700	85,700	85,700	85,700
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Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Decrease the operating costs for management of the commonwealth's state owned buildings and vehicle fleet.

Vehicles

Percentage decrease in the number of state-owned, non law enforcement passenger vehicles	25%	26%	27%	28%	28%	28%	28%
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Objective: Reduce energy consumption and associated energy costs in state owned facilities.

Energy

Percentage reduction in utility costs	10%	10%	10%	10%	10%	10%	10%
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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 Goals

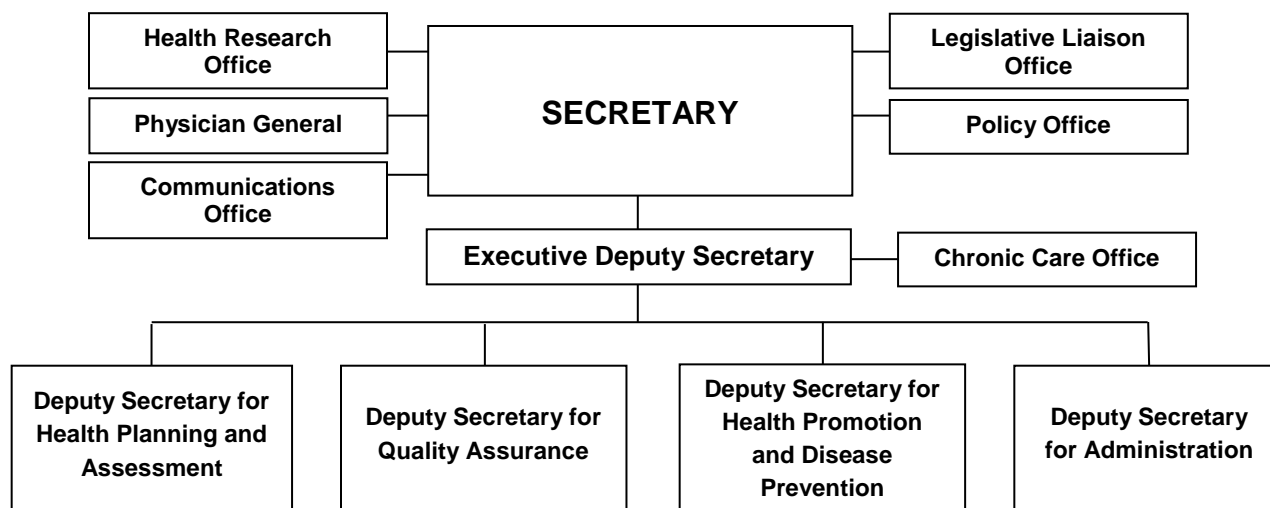
Health Support Services: *To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.*

Health Research: *To develop better basic scientific knowledge of the nature of disease, illness and the environment, which will improve the use of existing and new health resources.*

Preventive Health: *To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.*

Health Treatment Services: *To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

Organization Overview



- **Deputy Secretary for Health Planning and Assessment** is responsible for the monitoring, tracking and analysis of the health status of Pennsylvania communities. The office oversees the state laboratories and licenses independent clinical labs; supervises emergency medical services; and ensures epidemiological data collection, dissemination and analysis.
- **Deputy Secretary for Quality Assurance** works to ensure the delivery of quality health care in most in-patient and out-patient health care facilities and substance abuse treatment centers throughout Pennsylvania. The office also approves building, engineering and construction plans for these facilities. In addition, the office certifies managed care organizations in conjunction with the Department of Insurance.
- **Deputy Secretary for Health Promotion and Disease Prevention** is responsible for developing and implementing a wide variety of educational, preventative and treatment programs for people of all ages.
- **Deputy Secretary for Administration** directs the provision of all personnel administration and management support; is responsible for the development of the department's administrative policies and procedures and for all of the department's information technology functions. Also assists the Secretary of Health in effectively utilizing public health data to make policy decisions.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual*	2013-14 Actual	2014-15 Actual
1,529	1,495	1,395	1,336	1,320

*Authorized Complement reflects the transfer of Drug and Alcohol Programs' positions effective July 1, 2012.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 22,395	\$ 23,151^a	\$ 23,579
(F)WIC Administration and Operation.....	26,128	31,990	31,425
(F)Health Assessment.....	535	537	546
(F)PHHSBG - Administration and Operation.....	1,941	4,456	4,561
(F)SABG - DDAP Support Services (EA).....	446	364	181
(F)MCHSBG - Administration and Operation.....	15,472	14,404	14,641
(F)Adult Blood Lead Epidemiology.....	108	135	135
(F)EMS for Children.....	155	155	155
(F)TB - Administration and Operation.....	1,232	1,070	1,070
(F)Lead - Administration and Operation.....	1,832	1,459	200
(F)AIDS Health Education - Administration and Operation.....	6,506	6,511	6,511
(F)Primary Care Cooperative Agreements.....	313	314	314
(F)HIV / AIDS Surveillance.....	1,610	1,614	1,741
(F)HIV Care - Administration and Operation.....	5,331	5,427	5,423
(F)Cancer Prevention and Control.....	8,338	9,411	8,322
(F)Environmental Public Health Tracking.....	1,100	1,123	1,123
(F)Health Equity.....	225	0	0
(F)Strengthening Public Health Infrastructure.....	863	244	0
(F)Special Preparedness Initiatives.....	500	500	500
(F)Public Health Emergency Preparedness and Response (EA).....	54,358	64,403	52,243
(F)Learning Management System (EA).....	60	12	60
(A)Data Center Services.....	36	36	53
(A)Departmental Services.....	16	17	0
Subtotal.....	\$ 149,500	\$ 167,333	\$ 152,783
Quality Assurance.....	18,891	20,359	21,336
(F)Medicare - Health Service Agency Certification.....	11,364	12,800	12,800
(F)Medicaid Certification.....	8,100	9,013	9,013
(A)Publication Fees.....	3	3	3
Subtotal.....	\$ 38,358	\$ 42,175	\$ 43,152
Health Innovation.....	973^b	2,976^c	2,976
(F)State Innovation Model Initiative.....	60,000 ^d	8,000	0
(F)ARRA - Health Information Exchange Capacity (EA).....	268	749	1,128
Subtotal.....	\$ 61,241	\$ 11,725	\$ 4,104
Achieving Better Care - MAP Administration.....	0	2,146	3,153
(F)Prescription Drug Monitoring.....	0	1,500	1,641
Subtotal.....	\$ 0	\$ 3,646	\$ 4,794
Vital Statistics.....	5,925	6,269	7,395
(F)Cooperative Health Statistics.....	1,800	2,000	2,113
(F)Health Statistics.....	84	87	90
(F)Behavioral Risk Factor Surveillance System.....	703	490	460
(A)Reimbursement for Microfilming.....	21	22	322
(A)VitalChek Surcharge.....	114	506	506
(R)County Coroner/Medical Examiner Distribution (EA).....	1,176	1,234	1,263
(R)Vital Statistics Improvement Administration (EA).....	5,671	4,521	2,212
(A)VitalChek Revenue.....	0	759	759
Subtotal.....	\$ 15,494	\$ 15,888	\$ 15,120
State Laboratory.....	3,079	3,275^e	3,775
(F)Clinical Laboratory Improvement.....	678	680	680
(F)Epidemiology & Laboratory Surveillance & Response.....	3,433	4,573	5,241
(F)Food Emergency Response.....	249	305	305
(A)Blood Lead Testing.....	24	24	24
(A)Blood Lead Specimen Testing.....	6	6	6
(A)Erythrocyte Protoporphyrin Testing.....	11	11	11
(A)Alcohol Proficiency Testing.....	68	68	68
(A)Drug Abuse Proficiency.....	213	213	213

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(A)Licensure for Clinical Laboratories.....	1,515	1,515	1,515
(A)Training Course Fees.....	15	15	15
(A)Viral Load Testing.....	29	29	29
Subtotal.....	\$ 9,320	\$ 10,714	\$ 11,882
State Health Care Centers.....	20,518	23,435	26,250
(F)Disease Control Immunization.....	11,571	11,589	11,899
(F)PHHSBG - Block Program Services.....	7,159	6,780	6,672
(F)Preventive Health Special Projects.....	2,377	3,909	3,591
(F)Collaborative Chronic Disease Programs.....	7,777	10,183	5,165
(F)Sexual Violence Prevention and Education.....	1,707	1,452	1,511
(F)Live Healthy.....	0	4,409	4,111
(F)Refugee Health Program (EA).....	2,630	3,228	0
Subtotal.....	\$ 53,739	\$ 64,985	\$ 59,199
Sexually Transmitted Disease Screening and Treatment.....	1,729	1,730	1,730
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,835	2,852	2,895
Subtotal.....	\$ 4,564	\$ 4,582	\$ 4,625
Subtotal - State Funds.....	\$ 73,510	\$ 83,341	\$ 90,194
Subtotal - Federal Funds.....	249,788	228,728	198,466
Subtotal - Augmentations.....	2,071	3,224	3,524
Subtotal - Restricted Revenues.....	6,847	5,755	3,475
Total - General Government.....	\$ 332,216	\$ 321,048	\$ 295,659
Grants and Subsidies:			
Diabetes Programs.....	\$ 100	\$ 0	\$ 0
Primary Health Care Practitioner.....	4,671	4,671	4,671
(F)Loan Repayment Program.....	312	0	0
Subtotal.....	\$ 4,983	\$ 4,671	\$ 4,671
Community-Based Health Care Subsidy.....	6,000	6,000	6,000
Newborn Screening.....	4,260	5,227	5,227
Cancer Screening Services.....	2,563	2,563	2,563
AIDS Programs and Special Pharmaceutical Services.....	17,436	17,436	17,436
(F)AIDS Health Education Program.....	3,113	3,113	3,113
(F)AIDS Ryan White and HIV Care.....	56,669	57,577	57,577
(F)Housing for Persons with AIDS.....	2,538	3,538	3,737
(A)AIDS SPBP Rebates.....	14,117	16,031	18,662
Subtotal.....	\$ 93,873	\$ 97,695	\$ 100,525
Regional Cancer Institutes.....	600	0	0
School District Health Services.....	36,620	36,620	36,620
Local Health Departments.....	25,421	25,421	25,421
Local Health - Environmental.....	6,989	6,989	6,989
Maternal and Child Health.....	651	950	981
(F)MCH Lead Poisoning Prevention and Abatement.....	2,050	1,194	450
(F)MCHSBG - Program Services.....	17,035	18,135	17,898
(F)Women, Infants and Children (WIC).....	276,112	276,112	276,112
(F)Abstinence Education.....	2,576	2,405	2,405
(F)Traumatic Brain Injury.....	370	270	320
(F)Family Health Special Projects.....	600	661	725
(F)Screening Newborns.....	744	1,027	1,061
(F)Newborn Hearing Screening and Intervention.....	316	366	330
(F)Teenage Pregnancy Prevention.....	3,892	4,372	4,519
Subtotal.....	\$ 304,346	\$ 305,492	\$ 304,801

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Tuberculosis Screening and Treatment.....	874	876	876
(F)Tuberculosis Control Program.....	385	326	326
Subtotal.....	<u>\$ 1,259</u>	<u>\$ 1,202</u>	<u>\$ 1,202</u>
Renal Dialysis.....	7,279	7,900	7,900
Services for Children with Special Needs.....	1,551	1,551	1,728
Adult Cystic Fibrosis & Other Chronic Respiratory Illnesses.....	750	450	350
Cooley's Anemia.....	100	100	100
Hemophilia.....	959	949	949
Lupus.....	100	0	0
Sickle Cell.....	1,260	1,200	1,200
Regional Poison Control Centers.....	700	0	0
Trauma Prevention.....	460	0	0
Epilepsy Support Services.....	550	0	0
Bio-Technology Research.....	5,900	0	0
Tourette Syndrome.....	150	0	0
Amyotrophic Lateral Sclerosis Support Services.....	350	0	0
Subtotal - State Funds.....	\$ 126,294	\$ 118,903	\$ 119,011
Subtotal - Federal Funds.....	366,712	369,096	368,573
Subtotal - Augmentations.....	14,117	16,031	18,662
Total - Grants and Subsidies.....	<u>\$ 507,123</u>	<u>\$ 504,030</u>	<u>\$ 506,246</u>
STATE FUNDS.....	\$ 199,804	\$ 202,244	\$ 209,205
FEDERAL FUNDS.....	616,500	597,824	567,039
AUGMENTATIONS.....	16,188	19,255	22,186
RESTRICTED REVENUES.....	6,847	5,755	3,475
GENERAL FUND TOTAL.....	<u>\$ 839,339</u>	<u>\$ 825,078</u>	<u>\$ 801,905</u>
OTHER FUNDS:			
TOBACCO SETTLEMENT FUND:			
Tobacco Use Prevention and Cessation (EA).....	\$ 13,906	\$ 13,722	\$ 13,914
Health Research - Health Priorities (EA).....	38,936	38,421	38,960
Health Research - National Cancer Institute (EA).....	3,090	3,049	3,092
TOBACCO SETTLEMENT FUND TOTAL.....	<u>\$ 55,932</u>	<u>\$ 55,192</u>	<u>\$ 55,966</u>
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Emergency Medical Services.....	\$ 10,500	\$ 9,600	\$ 9,500
Catastrophic Medical and Rehabilitation.....	5,100	4,800	4,650
EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....	<u>\$ 15,600</u>	<u>\$ 14,400</u>	<u>\$ 14,150</u>
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND:			
Implementation Costs (EA).....	\$ 99	\$ 106	\$ 112
Hospital and Other Medical Costs (EA).....	115	115	77
Grants to Certified Procurement Organizations (EA).....	577	600	600
Project Make-A-Choice (EA).....	173	175	175
GOV. CASEY ORGAN & TISSUE DONATION AWARENESS FUND TOTAL.....	<u>\$ 964</u>	<u>\$ 996</u>	<u>\$ 964</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 199,804	\$ 202,244	\$ 209,205
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	616,500	597,824	567,039
AUGMENTATIONS.....	16,188	19,255	22,186
RESTRICTED.....	6,847	5,755	3,475
OTHER FUNDS.....	72,496	70,588	71,080
TOTAL ALL FUNDS.....	<u>\$ 911,835</u>	<u>\$ 895,666</u>	<u>\$ 872,985</u>

Summary by Fund and Appropriation

^a Includes recommended supplemental appropriation of \$843,000.

^b Appropriated as \$973,000 for Chronic Care Management.

^c Appropriated as \$907,000 for Chronic Care Management and includes recommended supplemental appropriation of \$2,069,000.

^d Appropriated as \$60,000,000 for State Innovation Models.

^e Includes recommended supplemental appropriation of \$126,000.

^f Includes recommended supplemental appropriation of \$57,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND.....	\$ 44,365	\$ 48,931	\$ 51,843	\$ 52,362	\$ 52,885	\$ 53,415	\$ 53,949
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	150,431	172,636	158,650	158,650	158,650	158,650	158,650
OTHER FUNDS.....	1,936	1,937	1,937	1,937	1,937	1,937	1,937
SUBCATEGORY TOTAL.....	<u>\$ 196,732</u>	<u>\$ 223,504</u>	<u>\$ 212,430</u>	<u>\$ 212,949</u>	<u>\$ 213,472</u>	<u>\$ 214,002</u>	<u>\$ 214,536</u>
HEALTH RESEARCH							
GENERAL FUND.....	\$ 12,525	\$ 6,269	\$ 7,395	\$ 7,469	\$ 7,544	\$ 7,619	\$ 7,695
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,587	2,577	2,663	2,663	2,663	2,663	2,663
OTHER FUNDS.....	49,008	48,512	47,114	47,149	47,184	47,220	47,256
SUBCATEGORY TOTAL.....	<u>\$ 64,120</u>	<u>\$ 57,358</u>	<u>\$ 57,172</u>	<u>\$ 57,281</u>	<u>\$ 57,391</u>	<u>\$ 57,502</u>	<u>\$ 57,614</u>
PREVENTIVE HEALTH							
GENERAL FUND.....	\$ 129,255	\$ 134,894	\$ 137,740	\$ 138,030	\$ 138,322	\$ 138,618	\$ 138,916
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	463,482	422,611	405,726	405,726	405,726	405,726	405,726
OTHER FUNDS.....	28,023	29,753	32,576	37,809	43,513	49,731	56,508
SUBCATEGORY TOTAL.....	<u>\$ 620,760</u>	<u>\$ 587,258</u>	<u>\$ 576,042</u>	<u>\$ 581,565</u>	<u>\$ 587,561</u>	<u>\$ 594,075</u>	<u>\$ 601,150</u>
HEALTH TREATMENT SERVICES							
GENERAL FUND.....	\$ 13,659	\$ 12,150	\$ 12,227	\$ 12,227	\$ 12,227	\$ 12,227	\$ 12,227
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	16,564	15,396	15,114	15,115	15,116	15,117	15,118
SUBCATEGORY TOTAL.....	<u>\$ 30,223</u>	<u>\$ 27,546</u>	<u>\$ 27,341</u>	<u>\$ 27,342</u>	<u>\$ 27,343</u>	<u>\$ 27,344</u>	<u>\$ 27,345</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 199,804	\$ 202,244	\$ 209,205	\$ 210,088	\$ 210,978	\$ 211,879	\$ 212,787
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	616,500	597,824	567,039	567,039	567,039	567,039	567,039
OTHER FUNDS.....	95,531	95,598	96,741	102,010	107,750	114,005	120,819
DEPARTMENT TOTAL.....	<u><u>\$ 911,835</u></u>	<u><u>\$ 895,666</u></u>	<u><u>\$ 872,985</u></u>	<u><u>\$ 879,137</u></u>	<u><u>\$ 885,767</u></u>	<u><u>\$ 892,923</u></u>	<u><u>\$ 900,645</u></u>

Program: Health Support Services

Goal: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.

Health Support Services provides administrative and technical systems that support disease prevention and treatment. Also included in this program are quality assurance activities and state laboratory facilities.

The department provides epidemiologic assessment of health problems that include communicable diseases, environmental conditions, occupational hazards and health risk behaviors of the general public or selected populations. The department issues guidelines and recommendations for prevention and control of these diseases and provides professional consultation and technical support for health care providers and institutions, other agencies, county health departments and local municipalities.

The Quality Assurance program conducts surveys and inspections of health care facilities, home care agencies, home health agencies, psychiatric residential treatment facilities, intermediate care facilities and others to determine compliance with state and federal standards and regulations and as a condition of receiving federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. The public may view completed surveys on the department's website.

The frequency of inspections and surveys varies by type of facility as required by either state and/or federal law or regulation. Initial inspections are conducted prior to issuance of licenses. More frequent inspections are made in response to complaints or life-threatening situations.

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.

Act 41 of 2014, known as the Indoor Tanning Regulation Act, requires all indoor tanning establishments to register with the department, display proper safety signage and meet the established training requirements for staff. In accordance with the act, inspections of indoor tanning facilities will begin in May 2016.

The Healthcare-Associated Infections Prevention program supports hospitals, nursing care facilities and ambulatory surgical facilities in reducing the occurrence of healthcare-associated infections through implementing effective identification and reporting; reviewing and approving individual facility infection control plans; developing best practices for monitoring, surveillance and response; and maintaining a reporting program that will establish benchmarks and monitor performance in hospitals and nursing homes.

Act 191 of 2014, known as the Achieving Better Care by Monitoring All Prescriptions program (ABC-MAP), transforms the current law enforcement-based prescription drug monitoring program and shifts the focus to curtailing

Facility Inspection Frequency

Facility Type	Frequency	Inspections/Surveys*		
		2013-14	2014-15	2015-16
Abortion facilities	Inspected annually	19	19	19
Acute care hospitals	Surveyed and licensed on a three-year cycle	205	217	220
Ambulatory surgical facilities (class B and C)	Inspected annually	330	323	325
Birth centers	Inspected annually	5	6	6
End-stage renal disease facilities	One-third of facilities are surveyed annually	291	283	285
Home care agencies	Onsite inspection every three years, written surveys other two years	1,270	1,394	1,435
Home health agencies	Surveyed within 12-months of license expiration	500	519	520
Hospice agencies	Onsite inspection every three years, written surveys other two years	185	192	194
Intellectual Disabilities - Intermediate Care Facilities	Surveyed within 12-months of license expiration	177	180	180
Nursing homes	Inspected annually	643	703	710
Pediatric extended care centers	Surveyed annually	14	15	15

* Based on data counts of licensure and surveys completed prior to licensure expiration by facility type.

Program: Health Support Services (continued)

the opioid addiction crisis in the commonwealth. The new ABC-MAP will aid regulatory and law enforcement agencies in detecting and preventing fraud and abuse. It will also serve as an important tool for prescribers to have a clear picture of patient's current prescriptions to ensure Pennsylvanians are not prescribed excess opioids.

The department is responsible for oversight and regulation of managed care plans including health maintenance organizations, gatekeeper preferred provider organizations (PPOs) and point of service products. It licenses new plans, ensures availability and accessibility of health services in plan service areas and monitors quality of care through periodic inspections and external quality reviews. The department reviews and approves provider contracts and reimbursement methods. It licenses and oversees traditional PPOs, nonprofit medical-surgical, vision, and dental plans. The department certifies managed care utilization review organizations, monitors compliance

with utilization review standards, reviews complaints and coordinates third level grievance reviews conducted by certified external review entities.

The department operates the state public health laboratory, which investigates disease outbreaks, emerging infectious diseases and other threats to public health. The state laboratory performs approximately 200,000 tests each year, including 3,550 rabies tests and 3,000 West Nile Virus. Tests are also performed for diseases such as HIV, meningitis, influenza, tuberculosis, botulism, Lyme disease, drugs of abuse, alcohol and lead. The state laboratory is an integral part of preparedness and response throughout the commonwealth. The department licenses more than 9,000 laboratories, including independent labs and labs located within hospitals and physicians' offices, establishes performance standards and monitors compliance through on-site inspections.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 428 **General Government Operations**
—to continue current program.

\$ 1,007 **Achieving Better Care - MAP Administration**
—to annualize new program.

\$ 977 **Quality Assurance**
—to continue current program.

\$ 500 **State Laboratory**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 22,395	\$ 23,151	\$ 23,579	\$ 23,815	\$ 24,053	\$ 24,294	\$ 24,537
Quality Assurance.....	18,891	20,359	21,336	21,549	21,764	21,982	22,202
Achieving Better Care - MAP Administration	0	2,146	3,153	3,185	3,217	3,249	3,281
State Laboratory	3,079	3,275	3,775	3,813	3,851	3,890	3,929
TOTAL GENERAL FUND	\$ 44,365	\$ 48,931	\$ 51,843	\$ 52,362	\$ 52,885	\$ 53,415	\$ 53,949

Program: Health Research

Goal: To develop better basic scientific knowledge of the nature of disease, illness and the environment, which will improve the use of existing and new health resources.

The Health Statistics and Research program is the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. Its function is to collect statistical information on the health status of the population such as infant mortality, birth to teens and leading causes of death. This program responds to requests for services each year and conducts an annual survey of all hospitals, nursing homes and ambulatory surgery centers in Pennsylvania to obtain information on health resources and health services availability, utilization, staffing and patient characteristics. The Health Statistics and Research program oversees several statewide data collection systems and registries, such as the Behavioral Risk Factor Surveillance System, the statewide immunization registry and the Pennsylvania Cancer Registry. All of the program's publications and statistics are available on the department's website, which includes an interactive health statistics tool.

The Health Statistics and Research program also maintains a central repository for more than 33.5 million

records of births, deaths and fetal deaths that occur in the commonwealth. Through automation of this operation, all Pennsylvania birth records from 1921 to the present are available through the department's computer system at the central office and all branch offices. The system processes more than 500,000 requests annually for certified copies of birth and death records for proof of age, citizenship, litigation and genealogy. This system assists in the detection of fraudulent record usage, child support and the reporting of missing children. Birth and death records are stored on microfilm for preservation and are available for retrieval if required.

The Commonwealth Universal Research Enhancement (CURE) program provides health research grants to Pennsylvania-based research institutions for biomedical, clinical and health services research designed to improve the health of all Pennsylvania citizens. Performance reviews are conducted to evaluate the effectiveness of each research project funded by a grant.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 1,126 **Vital Statistics**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Vital Statistics	\$ 5,925	\$ 6,269	\$ 7,395	\$ 7,469	\$ 7,544	\$ 7,619	\$ 7,695
Diabetes Programs	100	0	0	0	0	0	0
Regional Cancer Institutes	600	0	0	0	0	0	0
Bio-Technology Research	5,900	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 12,525	\$ 6,269	\$ 7,395	\$ 7,469	\$ 7,544	\$ 7,619	\$ 7,695

Program: Preventive Health

Goal: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.

A key to the promotion of sound health practices is ensuring that all Pennsylvanians are able to access and utilize a range of preventive health and early disease detection services.

The department provides public health services through its network of district offices, state health centers, county and municipal health departments, community-based organizations and public health clinical providers. These programs include communicable disease tracking and prevention; investigation, intervention and control services for public health concerns; 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 each of their jurisdictions and these services are funded through grants and contracts awarded by the department.

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 department combines maternal home visiting programs, CenteringPregnancy programs and innovative interconception care to support mothers and babies to improve pregnancy outcomes, reduce infant mortality and improve child development.

To minimize severe health risks to infants, the department conducts a Newborn Screening and Follow-up program. The department assures appropriate follow-up services for all newborns with abnormal or inconclusive test results. In addition, these newborns and their families are linked with treatment specialists who conduct diagnostic testing and coordinate the required care.

The department facilitates a number of programs designed to help improve the health status of women. The Breast and Cervical Cancer Early Detection program (HealthyWoman Program) provides free mammograms, breast exams, Pap tests, pelvic exams, and treatment to eligible women, ages 40 – 64, who are low income and have limited or no insurance.

Program Element: Children's Programs

The department's federally funded immunization program supplies immunizations to infants, children and adolescents to reduce the incidence of vaccine-preventable diseases in the commonwealth. While

vaccinations are strongly recommended 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 childhood immunization levels, conducts professional and public education programs and initiates, processes and evaluates the child care and school immunization reporting system. In addition, the program provides guidance to school districts for the provision of hepatitis B, measles/mumps/rubella, polio, varicella, tetanus/diphtheria/ pertussis and meningococcal immunizations for students between kindergarten and 12th grade.

The department's healthy homes and lead poisoning prevention consists of three programs: the Lead and Healthy Homes Program, the State Lead program and the Lead Surveillance program. The Lead and Healthy Homes Program seeks to create safe and healthy housing for vulnerable occupants by addressing environmental health and safety hazards in homes. The State Lead program seeks to connect families with children at risk for lead poisoning to certified lead-based paint professionals to decrease the incidence of childhood lead poisoning. The department's Lead Surveillance program tracks and monitors childhood lead activity through the Pennsylvania National Electronic Disease Surveillance System (PA-NEDSS). PA-NEDSS receives all lead reports on Pennsylvania's children.

The School Health program supports health services for all children who are attending elementary or secondary school, either public or private. The program reimburses 500 school districts, 160 charter schools and 10 vocational technical schools for a portion of the costs associated with providing school nursing and dental services.

Program Element: Other Health Promotion and Disease and Injury Prevention Programs

The department promotes appropriate adult immunizations by providing information to community-based and public organizations. Vaccines are also made available to uninsured and underinsured adults through state health centers, county and municipal health departments and federally qualified and rural health clinics. The department ensures that all residents of the commonwealth are served through an infectious disease epidemiological surveillance, investigation and control system. Reported cases of infectious diseases are investigated to determine the infection source, transmission mode and control measures to prevent additional cases. Chronic disease remains one of the

Program: Preventive Health (continued)

leading causes of preventable morbidity and premature death in the commonwealth. The PA Center for Innovation is working with healthcare providers, commercial and public insurance payers, consumers, and the Centers for Medicare and Medicaid Services (CMS) to transform the way patient care is managed, delivered, documented and advanced in both urban and rural health care settings. The innovations created by the Center will improve health outcomes while reducing the cost of care. The department's HIV program is a coordinated and integrated strategy to prevent, test, link, treat and engage/retain individuals across the continuum of HIV prevention and care services. The program includes: prevention activities; capacity-building activities; program planning, monitoring, evaluation, and quality improvement; coordination and delivery of HIV medical care and support services; housing assistance; and an AIDS drug assistance program.

The goal of the Sexually Transmitted Diseases (STD) program is to reduce the incidence of syphilis, gonorrhea, chlamydia and other STDs. The STD program supports a statewide network of clinical service sites that offer testing, treatment and risk-reduction information and conduct contact elicitation interviews and related investigative services. The Tuberculosis program provides outpatient examination, diagnosis and appropriate treatment for persons with tuberculosis disease and infection. Key to preventing the spread of the disease is contact examination and treatment of latent tuberculosis infection in close contacts of infectious cases or other high-risk people.

The department manages the following federally funded programs that also support health promotion and injury prevention activities:

Cancer Prevention and Control programs promote cancer education, awareness and services through policy system and environmental approaches to reduce cancer mortality and provide a better quality of life for Pennsylvanians dealing with the effects of cancer. These programs coordinate cancer prevention, detection, treatment, and offer quality of life services and resources. The Oral Health program assesses the status of the oral health of Pennsylvanians, and plans and implements strategies and programs to improve oral health. The program provides oral and dental health educational materials designed to promote the prevention of tooth decay, periodontal disease and other oral diseases. The

program also promotes the beneficial health effects of fluoridation of public water systems.

The Diabetes Prevention and Control program, Heart Disease and Stroke Prevention program and Obesity Prevention and Wellness program work collaboratively to promote healthy active lifestyles through systems, policy and environmental changes in communities, health care systems, schools, early care and education centers and worksites. These changes support the development of healthy environments that support positive individual behaviors to reduce and control diabetes and hypertension, and to prevent heart disease, obesity, stroke and related chronic diseases and conditions.

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, as well as violence and injury-related fatalities through the development of surveillance systems, education programs for at-risk populations and training of health professionals. The department provides funding to organizations to support safer communities by addressing childhood injuries, motor vehicle safety, falls prevention among older adults, prevention of drug overdoses and child maltreatment prevention.

The Tobacco Use Prevention and Control program seeks to control the epidemic of disease, disability and death related to all forms of tobacco use, including, but not limited to combustible, smokeless and electronic nicotine delivery systems. Activities include community and school programs, counter marketing to prevent the initiation of tobacco use by youth; cessation programs, including a quitline, to help Pennsylvanians quit tobacco use; awareness education and community outreach to protect non-smokers from secondhand smoke. The department provides for education and enforcement of the Clean Indoor Air Act, which prohibits smoking in most public places. 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.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

State Health Care Centers
\$ 2,815 —to continue current program.

Maternal and Child Health
\$ 31 —reflects change in federal earnings.

All other appropriations are recommended at the current year funding level.

Program: Preventive Health (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Health Innovation.....	\$ 973	\$ 2,976	\$ 2,976	\$ 2,986	\$ 2,996	\$ 3,006	\$ 3,016
State Health Care Centers	20,518	23,435	26,250	26,513	26,778	27,046	27,316
Sexually Transmitted Disease							
Screening and Treatment.....	1,729	1,730	1,730	1,747	1,764	1,782	1,800
Primary Health Care Practitioner.....	4,671	4,671	4,671	4,671	4,671	4,671	4,671
Community-Based Health Care Subsidy ...	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Newborn Screening.....	4,260	5,227	5,227	5,227	5,227	5,227	5,227
Cancer Screening Services.....	2,563	2,563	2,563	2,563	2,563	2,563	2,563
AIDS Programs and Special							
Pharmaceutical Services	17,436	17,436	17,436	17,436	17,436	17,436	17,436
School District Health Services	36,620	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	651	950	981	981	981	981	981
Tuberculosis Screening and Treatment.....	874	876	876	876	876	876	876
Epilepsy Support Services.....	550	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 129,255	\$ 134,894	\$ 137,740	\$ 138,030	\$ 138,322	\$ 138,618	\$ 138,916

Program: Health Treatment Services

Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

The department has responsibility for coordinating a variety of specialized medical services for commonwealth patients.

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 conducts a public information and education program utilizing The Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund to encourage organ and tissue donation as one means of managing this disease and increasing the quality of life.

The specialty care programs provide children and adults with a variety of services for certain health conditions including adult cystic fibrosis, Cooley's anemia,

hemophilia, sickle cell and home ventilator care for children with chronic respiratory failure. Services include diagnosis, direct medical care, case management, comprehensive evaluations and rehabilitative services, including pharmaceuticals and blood products. In a joint effort to improve utilization of state funds, individuals who appear to be eligible for Medical Assistance and the Children's Health Insurance Program are referred to those programs.

The department is the lead agency for the commonwealth's emergency medical services (EMS) system. This includes planning, coordinating, developing, implementing and evaluating the statewide EMS system (including emergency preparedness and response) through regional councils and a statewide advisory council. This program is responsible for licensure of ambulance services, assuring availability of training, certification of EMS personnel, medical command facility accreditation, medical command physician recognition, training institute accreditation, integration of the poison information system with the EMS system and distribution of funding. Regulations, naloxone use and programs, and implementation of the pre-hospital "Do Not Resuscitate" program are managed through the department as well.

The Head Injury program provides case management services and post-acute head injury rehabilitation services to individuals with traumatic head injury. Services are provided through contractual agreements with head injury rehabilitation providers in the commonwealth. Funding is made available through the Emergency Medical Services Operating Fund.

Specialty Care Programs	
Program	Minimum Receiving Treatment*
Phenylketonuria, Maple Syrup Urine Disease, Galactosemia	1,500
Renal disease	5,490
Sickle Cell disease	2,631
Hemophilia	1,215
Cooley's Anemia	55
Spina Bifida	565
Services for children with special needs (home ventilators)	265
Services for children with special needs (children's rehabilitation services)	1,715

* Based on 2014-15 preliminary data counts of children and adults receiving treatment through department-supported programs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Services for Children with Special Needs	
\$ 177	—to continue current program.
Adult Cystic Fibrosis	
\$ -100	—nonrecurring program cost.

All other appropriations are recommended at the current year funding level.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
General Fund:							
Renal Dialysis.....	\$ 7,279	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900	\$ 7,900
Services for Children with Special Needs..	1,551	1,551	1,728	1,728	1,728	1,728	1,728
Adult Cystic Fibrosis & Other Chronic							
Respiratory Illnesses.....	750	450	350	350	350	350	350
Cooley's Anemia.....	100	100	100	100	100	100	100
Hemophilia.....	959	949	949	949	949	949	949
Lupus.....	100	0	0	0	0	0	0
Sickle Cell.....	1,260	1,200	1,200	1,200	1,200	1,200	1,200
Regional Poison Control Centers	700	0	0	0	0	0	0
Trauma Prevention	460	0	0	0	0	0	0
Tourette Syndrome	150	0	0	0	0	0	0
Amyotrophic Lateral Sclerosis Support							
Services	350	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 13,659	\$ 12,150	\$ 12,227	\$ 12,227	\$ 12,227	\$ 12,227	\$ 12,227

Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Health Support Services

Objective: Enhance the readiness of the commonwealth's public health systems to prepare for, protect against, respond to and recover from all large scale, manmade and natural threats to citizens.

Public Health Preparedness

Percentage of eligible hospitals registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	93%	93%	93%	93%	93%	93%	93%
Percentage of eligible laboratories registered to use PA National Electronic Disease Surveillance System (PA-NEDSS)	81%	81%	81%	81%	81%	81%	81%

Emergency Medical Services

Ambulance agencies licensed annually	1,100	1,000	1,000	1,000	1,000	1,000	1,000
Quick response services recognized to provide medical command annually	500	500	500	500	500	500	500
Hospitals recognized to provide medical command annually	165	165	165	165	165	165	165

Program: Health Research

Objective: Coordinate the collection and analysis of health statistics and information and disseminate health research grants.

Vital Events (births, deaths and fetal deaths)

Vital events registered (calendar year)	269,203	269,500	268,500	268,500	268,500	268,500	268,500
Percentage of vital events registered according to Vital Statistics Law and Title 28 of the PA Code	95%	95%	95%	95%	95%	95%	95%
Applications for certified copies of birth and death records filled (calendar year)	510,000	510,000	510,000	510,000	510,000	510,000	510,000

Health Research

New formula and non-formula grants awarded	26	27	28	28	28	28	28
Percentage of completed state-funded research grants that have received a favorable or outstanding performance evaluation from expert peer reviewers	95%	95%	95%	95%	95%	95%	95%
Percentage of completed CURE grants exceeding \$100,000 that have leveraged additional outside funding	70%	70%	70%	70%	70%	70%	70%
Percentage of cancer abstracts processed within 24 months of diagnosis	99%	99%	99%	99%	99%	99%	99%

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Preventive Health							
Objective: Increase access for women and infants to nutritious foods.							
Women and Children's Programs							
Average number of persons participating in women, infants, and children (WIC) programs each month	251,307	252,815	254,330	255,860	257,395	258,935	260,490
Average actual food cost per WIC participant, per month	\$48.12	\$50.60	\$53.13	\$55.79	\$58.58	\$61.51	\$64.58
Average Nutrition Services and Administration (NSA) operational costs per WIC participant, per month	\$25.43	\$27.72	\$30.21	\$32.93	\$35.90	\$39.12	\$42.65
Percentage of WIC-enrolled breastfeeding mothers who breastfed their infants for the first six months	20%	20%	20%	20%	20%	20%	20%
Objective: Ensure that all citizens are able to access a range of preventative health and early detection services.							
State Health Care Centers							
Total encounters by State Health Care Centers	59,770	59,770	59,770	59,770	59,770	59,770	59,770
Family health encounters including immunizations, injury prevention, and special health care needs	19,016	19,015	19,015	19,015	19,015	19,015	19,015
Communicable disease encounters including adult immunizations, HIV/AIDS, STD, tuberculosis and epidemiology	19,510	19,510	19,510	19,510	19,510	19,510	19,510
Chronic disease encounters including cancer, diabetes and tobacco	307	305	305	305	305	305	305
Community-Based Health							
Number of patient visits in underserved areas	1,404,840	1,404,840	1,404,840	1,404,840	1,404,840	1,404,840	1,404,840
Women and Children's Programs							
Newborns receiving state-mandated screening for genetic conditions	138,000	138,000	138,000	138,000	138,000	138,000	138,000
High-risk uninsured women aged 40 to 49 who receive breast and cervical cancer screening as determined by state funding	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Privately owned housing units in targeted geographical areas that are remediated for the presence of lead hazards*	54	50	50	50	50	50	50
School Health							
Percentage of school districts, charter schools, and comprehensive vocational technical schools in compliance with certified school nurse coverage requirements	97%	97%	97%	97%	97%	97%	97%

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Other Communicable Disease Programs and Incidences Reported							
HIV tests at publicly-funded sites	70,880	72,420	74,385	75,000	75,000	75,000	75,000
Percentage of clients testing positive for HIV at department-supported HIV counseling and testing sites returning for results	88%	88%	88%	88%	88%	88%	88%
Incidences of Gonorrhea	7,900	7,200	7,200	7,200	7,200	7,200	7,200
Incidences of Infectious Syphilis	159	150	140	130	120	110	100
Tuberculosis (per 100,000 in population)	2	2	2	2	2	2	2
Injury Prevention							
Children and adults receiving injury prevention education and awareness	11,545	11,545	11,545	11,545	11,545	11,545	11,545
Objective: Prevent initiation and reduce use of tobacco products, eliminate nonsmokers' exposure to second hand smoke, eliminate tobacco-related health disparities.							
Tobacco Program							
Percentage of callers to the FREE Quitline who received counseling and reported that they have stopped the use of tobacco products at the 7-month follow-up	32%	34%	34%	34%	34%	34%	34%
Percentage of high school students and adults (age 18+) who smoke	19%	18%	18%	18%	18%	18%	17%

* The "Privately owned housing units" measure represents projections as shown in three-year federal grant application.



HEALTH CARE COST CONTAINMENT COUNCIL

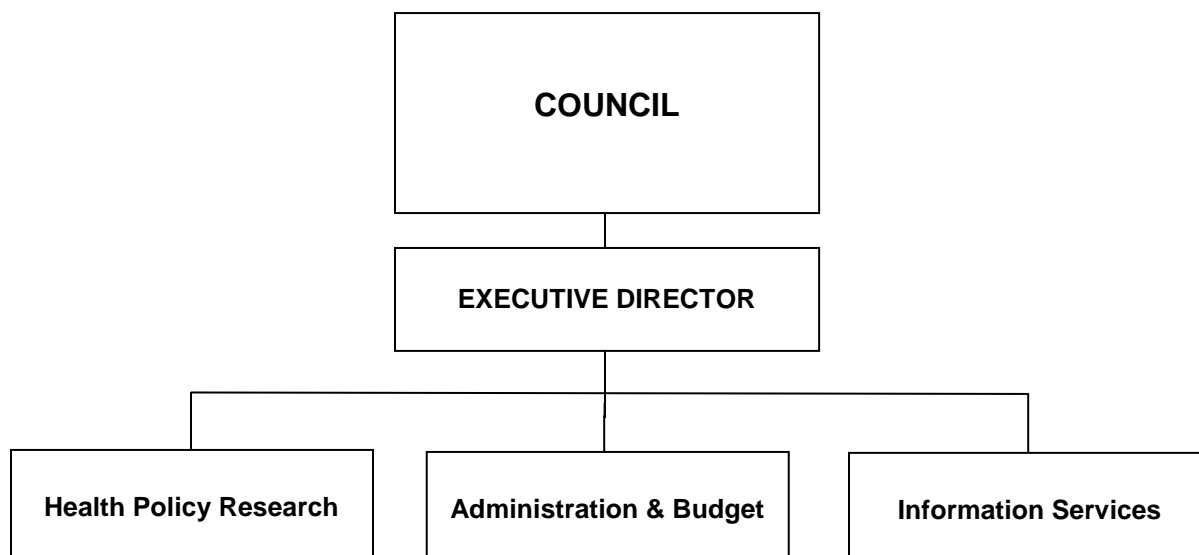
The mission of the Pennsylvania Health Care Cost Containment Council is to empower purchasers of health care benefits with information that can be used to improve quality and restrain costs.

The council is charged with collecting, analyzing and reporting information that can be used to improve the quality and restrain the cost of health care in the commonwealth. The council provides purchasers of health care benefits with information they can use to improve quality and restrain costs. The council is governed by a 25-member board of directors, representing business, labor, consumers, health care providers, insurers, and state government.

Programs and Goals

Health Care Reporting: *To facilitate the continuing provision of quality, cost effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policymakers and consumers of health care services.*

Organization Overview



- **Health Policy Research** is responsible for conducting studies, analyzing data, and publicly reporting topics of health services and health policy significance, including issues reflecting the cost and quality of care in Pennsylvania, hospital performance, quality improvement, treatment outcomes, and geographic differences in health care utilization.
- **Administration and Budget** is responsible for website content, all agency aspects related to financial oversight and budgeting, including human resource needs and overall functioning of the agency. This department also shares oversight of the data collection and reporting responsibilities specifically related to the public reporting of hospital financial data.
- **Information Services** is responsible for the online collection and verification of data used in health care studies, including hospital discharge data, insurer payment data, and hospital financial data, and also develops and maintains web-based applications and oversight of website functions.

Reported Complement

(Independent Agency – Complement Not Under the Governor’s Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
33	33	33	32	31

Health Care Cost Containment Council

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
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GENERAL FUND:

General Government:

Health Care Cost Containment Council.....	\$ 2,710	\$ 2,710	\$ 2,710
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Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
HEALTH CARE REPORTING							
GENERAL FUND.....	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,737	\$ 2,764	\$ 2,792	\$ 2,820
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>\$ 2,710</u>	<u>\$ 2,710</u>	<u>\$ 2,710</u>	<u>\$ 2,737</u>	<u>\$ 2,764</u>	<u>\$ 2,792</u>	<u>\$ 2,820</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,737	\$ 2,764	\$ 2,792	\$ 2,820
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	<u><u>\$ 2,710</u></u>	<u><u>\$ 2,710</u></u>	<u><u>\$ 2,710</u></u>	<u><u>\$ 2,737</u></u>	<u><u>\$ 2,764</u></u>	<u><u>\$ 2,792</u></u>	<u><u>\$ 2,820</u></u>

Program: Health Care Reporting

Goal: To facilitate the continuing provision of quality, cost effective health services throughout the commonwealth by providing current data and information to the purchasers, providers, insurers, policymakers and consumers of health care services.

The Pennsylvania Health Care Cost Containment Council (PHC4) is an independent state agency first established by Act 89 of 1986. It is governed by a 25-member board that represents health care purchasers (business and labor), consumers, health care providers, insurers and state government.

PHC4 uses advanced statistical and research methodologies including the use of risk-adjusted data which accounts for the severity of patient illness and other risk factors to produce reports on common illnesses that affect Pennsylvanians. These reports have included analysis of heart disease, diabetes and asthma and include treatment options and outcomes. Publicly reported medical costs and outcomes not only help improve patient care but also help consumers make informed choices about where to seek medical treatment.

Data from nearly four million inpatient and outpatient records from Pennsylvania hospitals and ambulatory surgery centers is collected by the council each year. This data, which includes detailed financial information about these hospitals and surgery centers, is verified and shared with the public through free public reports. The council also collects payment data from Medicare, Medicaid and commercial health insurance plans and is working to incorporate the Medicare payment data on public reports. Updating and expanding an interactive consumer friendly online database of Medicare payments for common outpatient services and treatments is also a priority for PHC4.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND

Health Care Cost Containment Council

The Health Care Cost Containment Council appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Health Care Cost Containment Council.....	\$ 2,710	\$ 2,710	\$ 2,710	\$ 2,737	\$ 2,764	\$ 2,792	\$ 2,820

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HISTORICAL AND MUSEUM COMMISSION

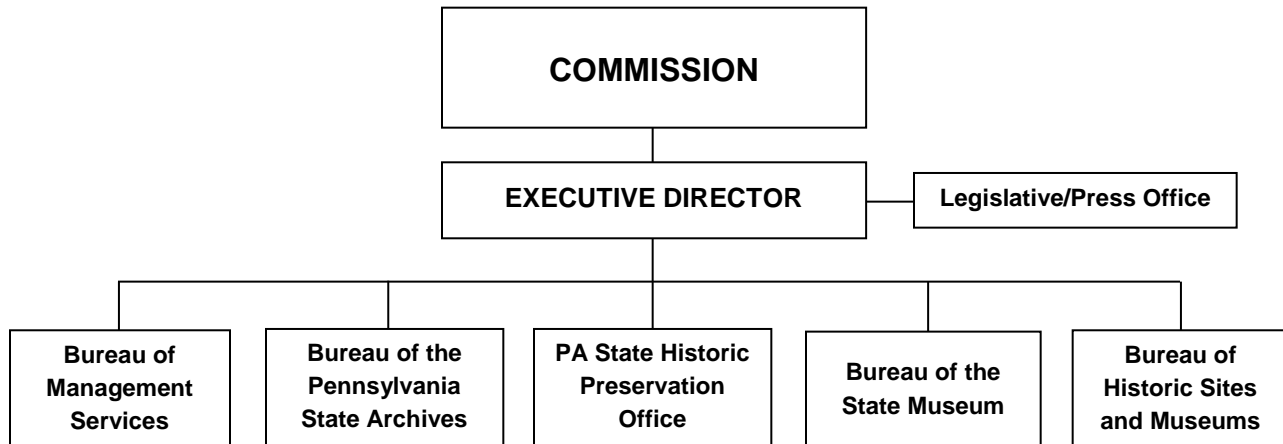
The mission of the Historical and Museum Commission is to preserve the commonwealth's past through leadership, stewardship and service. The commission believes that future generations will be strengthened and inspired by the ideals and traditions of Pennsylvania's heritage.

Programs and Goals

State Historic Preservation: *To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.*

Museum Assistance: *To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.*

Organization Overview



- **Bureau of Management Services** is comprised of the Marketing and Media Services Division, Fiscal and Office Support Services Division and the Architecture and Preservation Division.
- **Bureau of Pennsylvania State Archives'** primary function is to acquire, preserve and make available for study the permanently-valuable public records of the commonwealth, with particular attention given to the records of state government. In fulfilling its general responsibility for the preservation of historic documents, the State Archives also collects private papers relevant to Pennsylvania history.
- **PA State Historic Preservation Office** includes the Preservation Services Division, Archaeology and Protection Division and the Grant Programs and Planning Division. These divisions are responsible for the identification, protection and enhancement of buildings, structures and districts of historic and architectural significance in the commonwealth.
- **Bureau of the State Museum** oversees multidisciplinary exhibitions and educational programs on the commonwealth's prehistory, history, science, industry, technology, natural history and art at The State Museum of Pennsylvania, adjacent to the State Capitol in Harrisburg.
- **Bureau of Historic Sites and Museums** includes regional divisions that support the operation of historic sites and museums throughout the commonwealth that are open to the public.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
200	218	210	210	210

Historical and Museum Commission

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 18,944	\$ 19,624^a	\$ 20,624
(F)Historic Preservation.....	1,231	1,231	1,272
(F)Surface Mining Review.....	195	180	168
(F)Environmental Review.....	353	353	343
(F)Institute of Museum Library Services.....	150	150	150
(F)Coastal Zone Management.....	50	50	50
(F)Highway Planning and Construction.....	100	25	25
(F)National Endowment for the Humanities.....	150	150	150
(F)National Endowment for the Arts.....	150	150	150
(F)American Battlefield Protection Program.....	4,300	5,591	4,000
(F)Hurricane Sandy Disaster Relief (EA).....	1,500	1,446	1,790
(F)Historic Property Partnerships.....	100	30	30
(F)Maritime Heritage.....	0	600	421
(A)State Records Center.....	611	660	692
(A)Keystone Recreation, Park & Conservation Fund.....	30	472	620
Subtotal.....	<u>\$ 27,864</u>	<u>\$ 30,712</u>	<u>\$ 30,485</u>
Subtotal - State Funds.....	\$ 18,944	\$ 19,624	\$ 20,624
Subtotal - Federal Funds.....	8,279	9,956	8,549
Subtotal - Augmentations.....	641	1,132	1,312
Total - General Government.....	<u>\$ 27,864</u>	<u>\$ 30,712</u>	<u>\$ 30,485</u>
<i>Grants and Subsidies:</i>			
Cultural and Historical Support.....	\$ 2,000	\$ 2,000	\$ 2,000
STATE FUNDS.....	\$ 20,944	\$ 21,624	\$ 22,624
FEDERAL FUNDS.....	8,279	9,956	8,549
AUGMENTATIONS.....	641	1,132	1,312
GENERAL FUND TOTAL.....	<u>\$ 29,864</u>	<u>\$ 32,712</u>	<u>\$ 32,485</u>
OTHER FUNDS:			
GENERAL FUND:			
Historical Preservation Act of 1966 (F).....	\$ 118	\$ 121	\$ 121
Rent and Other Income.....	60	35	35
GENERAL FUND TOTAL.....	<u>\$ 178</u>	<u>\$ 156</u>	<u>\$ 156</u>
HISTORICAL PRESERVATION FUND:			
Historical Preservation Fund.....	\$ 1,739	\$ 1,771	\$ 1,856
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
Historic Site Development (EA).....	\$ 9,794	\$ 9,431	\$ 12,400
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 20,944	\$ 21,624	\$ 22,624
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	8,279	9,956	8,549
AUGMENTATIONS.....	641	1,132	1,312
OTHER FUNDS.....	11,711	11,358	14,412
TOTAL ALL FUNDS.....	<u>\$ 41,575</u>	<u>\$ 44,070</u>	<u>\$ 46,897</u>

^a Includes recommended supplemental appropriation of \$478,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 18,944	\$ 19,624	\$ 20,624	\$ 20,830	\$ 21,039	\$ 21,249	\$ 21,461
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	8,279	9,956	8,549	8,549	8,549	8,549	8,549
OTHER FUNDS.....	2,558	3,059	3,324	3,375	3,405	3,425	3,440
SUBCATEGORY TOTAL.....	<u>\$ 29,781</u>	<u>\$ 32,639</u>	<u>\$ 32,497</u>	<u>\$ 32,754</u>	<u>\$ 32,993</u>	<u>\$ 33,223</u>	<u>\$ 33,450</u>
MUSEUM ASSISTANCE							
GENERAL FUND.....	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,794	9,431	12,400	13,281	13,740	13,992	14,167
SUBCATEGORY TOTAL.....	<u>\$ 11,794</u>	<u>\$ 11,431</u>	<u>\$ 14,400</u>	<u>\$ 15,281</u>	<u>\$ 15,740</u>	<u>\$ 15,992</u>	<u>\$ 16,167</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 20,944	\$ 21,624	\$ 22,624	\$ 22,830	\$ 23,039	\$ 23,249	\$ 23,461
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	8,279	9,956	8,549	8,549	8,549	8,549	8,549
OTHER FUNDS.....	12,352	12,490	15,724	16,656	17,145	17,417	17,607
DEPARTMENT TOTAL.....	<u><u>\$ 41,575</u></u>	<u><u>\$ 44,070</u></u>	<u><u>\$ 46,897</u></u>	<u><u>\$ 48,035</u></u>	<u><u>\$ 48,733</u></u>	<u><u>\$ 49,215</u></u>	<u><u>\$ 49,617</u></u>

Program: State Historic Preservation

Goal: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate, interpret, research and preserve all areas of Pennsylvania history.

The State Historic Preservation program administered by the Historical and Museum Commission is comprised of four major elements. These elements include Executive Direction and Administration, Pennsylvania State and Local Records, Historic Site and Museum Operations and Historic Preservation.

Program Element: Executive Direction and Administration

This program provides general policy and direction for administering the commission's operations. It includes legislative, marketing and press relations, human resources management, procurement, information technology and management of the commission's website, financial grant administration, fiscal and revenue management and other support services.

Program Element: State and Local Records

This program supports the operation of the State Archives and the State Records Center. The State Archives is responsible for identifying, acquiring, preserving and providing public access to the permanently valuable and historical records created by government. This responsibility extends to electronic records and to the use of electronic and web technology to facilitate public access which is estimated to be 4.2 million in-person and online visitors. 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. The center maintains approximately 231,000 boxes and is responsible for processing 19,880 data requests from other state agencies per year.

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 the nearly 8.5 million historical artifacts, papers and paintings. The program maintains and conserves 456 buildings across the commonwealth.

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)

\$ 1,000 **General Government Operations**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 18,944	\$ 19,624	\$ 20,624	\$ 20,830	\$ 21,039	\$ 21,249	\$ 21,461

Historical and Museum Commission

Program: Museum Assistance

Goal: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the commonwealth.

This program is comprised of two major components: the Cultural and Historical Support program and the Keystone Recreation, Park and Conservation Fund program. These programs provide financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Cultural and Historical Support program awards grants to eligible museums and official county historical societies in Pennsylvania. The goal of this program is to strengthen Pennsylvania's museum community by supporting the general operations of eligible museums and official county historical societies that are not supported by other state agency funding programs. Award amounts are determined using an equation based on a percentage of the eligible museum's previous year's operating budget.

The maximum any museum could receive is \$65,000. The maximum for historical societies is \$4,000.

The Keystone Recreation, Park and Conservation Fund program is a competitive grants process created by Act 50 of 1993. Funding is available to Pennsylvania not-for-profit organizations and public agencies that operate a publicly accessible historic property listed in or eligible for the National Register of Historic Places, or to organizations that operate a contributing historic property in a National Register Historic District. Grants are awarded on a 50-50 matching basis and support projects in redevelopment, preservation, rehabilitation, restoration and other related areas. The Keystone Recreation, Park and Conservation Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

The Cultural and Historical Support appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Cultural and Historical Support.....	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000

Historical and Museum Commission

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: State Historic Preservation

Objective: Increase attendance at Pennsylvania's historical sites and museums.

Historic Site and Museum Operations

Annual ticketed visits to commission historical sites and museums (in thousands)	384	400	425	425	425	425	425
Annual nonticketed visitors to commission historical sites and museums (in thousands)	232	300	300	300	300	300	300

Objective: Maintain and preserve Pennsylvania's historic sites and artifacts.

Historic Preservation

Historic markers	2,405	2,425	2,445	2,465	2,485	2,505	2,525
Evaluations for the National Register of Historic Properties	482	482	482	482	482	482	482
Program value of private investment projects in Rehabilitation Investment Tax Credit program (in millions)	\$303	\$400	\$450	\$450	\$450	\$450	\$450
Rehabilitation Investment Tax Credit approved projects	26	35	40	50	50	50	50
Historic Preservation Projects and Environmental Reviews performed	6,258	6,200	6,500	6,500	6,500	6,500	6,500

Program: Museum Assistance

Objective: Increase support to enhance the quality of history and museum activities in Pennsylvania.

Museum support and Keystone project grants awarded	159	200	200	200	200	200	200
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DEPARTMENT OF HUMAN SERVICES

The mission of the Department of Human Services is to improve the quality of life for Pennsylvania's individuals and families. The department promotes opportunities for independence through services and supports while demonstrating accountability for taxpayer resources.

This mission is accomplished through the following programs and objectives.

Programs and Goals

Human Services Support: *To provide effective administrative and support systems through which the substantive programs of the department can be operated.*

Medical Assistance: *To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.*

Long-Term Living: *To support a long-term living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.*

Income Maintenance: *To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.*

Mental Health: *To maximize the individual's capacity for independent living through the provision of an array of service and support programs.*

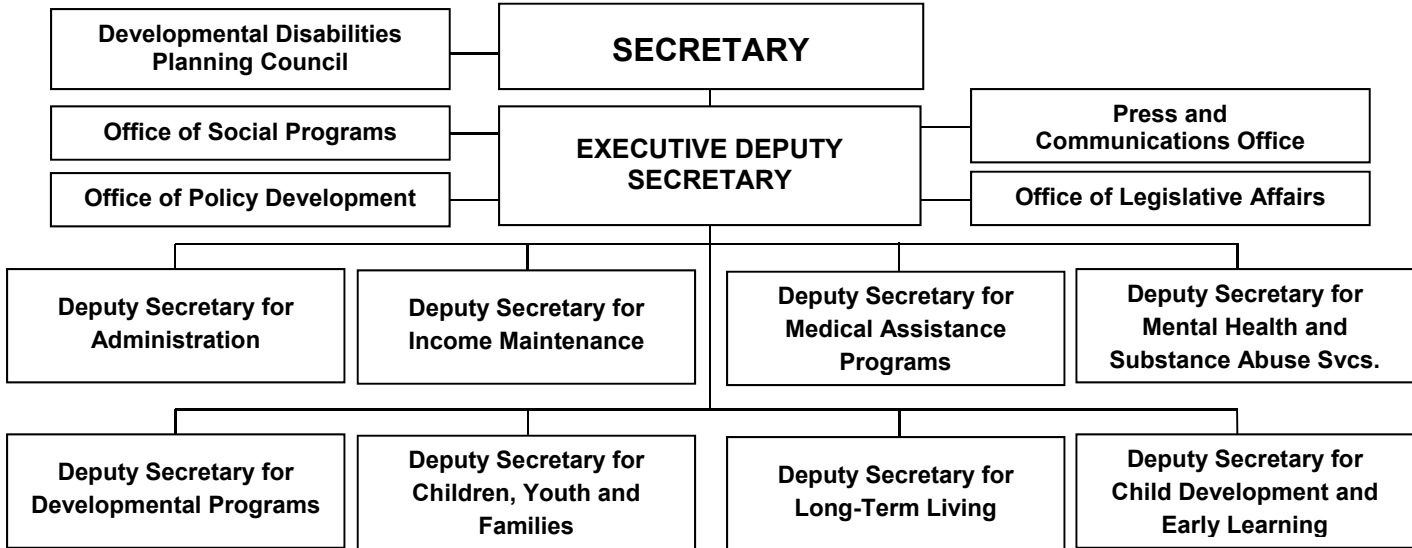
Intellectual Disabilities: *To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.*

Human Services: *To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.*

Child Development: *To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.*

Children's Health Insurance Program: *To support a health care delivery system that provides comprehensive health care services to children.*

Organization Overview



- **Deputy Secretary for Administration** oversees the bureaus of Human Resources; Financial Operations; Information Systems; Administrative Services; Hearings and Appeals; Equal Opportunity; Program Integrity and Human Services Licensing.
- **Deputy Secretary for Income Maintenance** is responsible for the oversight of the Temporary Assistance for Needy Families program; Medical Assistance; Supplemental Nutrition Assistance Program; home heating assistance; employment and training services; and child support.
- **Deputy Secretary for Medical Assistance Programs** administers the joint state/federal Medical Assistance (also known as Medicaid) program that purchases health care for nearly 2.5 million Pennsylvania residents.
- **Deputy Secretary for Mental Health and Substance Abuse Services** oversees the Office of the Medical Director and the bureaus of Community and Hospital Operations; Policy, Planning and Program Development; Financial Management and Administration; Children's Behavioral Health; and Quality Management and Data Review.
- **Deputy Secretary for Developmental Programs** oversees the bureaus of Financial Management and Budget; Supports for People with Intellectual Disabilities; Policy and Program Support; and Autism Services.
- **Deputy Secretary for Children, Youth and Families** oversees the bureaus of Policy, Programs and Operations; Children and Family Services; Juvenile Justice Services; and Budget and Fiscal Support.
- **Deputy Secretary for Long-Term Living** oversees the bureaus of Participant Operations; Policy and Regulatory Management; Finance; and Quality and Provider Management.
- **Deputy Secretary for Child Development and Early Learning** oversees the bureaus of Subsidized Child Care Services; Certification Services; Early Learning Services; and Early Intervention Services.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
17,858	17,048	16,898	16,721	17,032

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

GENERAL FUND:**General Government:**

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
General Government Operations.....	\$ 76,513	\$ 93,124^a	\$ 97,065
(F)Child Welfare Services - Administration.....	1,039	1,042	1,042
(F)Child Welfare - Title IV-E - Administration.....	5,567	5,679	5,319
(F)CCDFBG - Administration.....	16,723	21,840	22,895
(F)Medical Assistance - Administration.....	22,781	27,379	30,728
(F)TANFBG - Administration.....	8,123	8,810	8,810
(F)Food Stamps - Administration.....	5,864	7,437	9,443
(F)Developmental Disabilities - Basic Support.....	4,121	4,253	4,258
(F)Refugees and Persons Seeking Asylum-Administration.....	1,953	2,106	2,307
(F)Disabled Education - Administration.....	600	708	817
(F)MHSBG - Administration.....	461	539	539
(F)SSBG - Administration.....	325	325	325
(F)Community Based Family Resource and Support-Administration.....	689	689	689
(F)MCH - Administration.....	120	161	183
(F)Early Head Start Expansion Program.....	6,962	6,962	6,962
(F)Early Learning Challenge Grant - Administration.....	546	541	548
(A)Training Reimbursement.....	457	457	457
(A)Child Abuse Reviews.....	9,962	6,574	9,526
(A)Miscellaneous Reimbursements.....	230	44	229
(A)Adam Walsh Clearance.....	575	499	575
Subtotal.....	\$ 163,611	\$ 189,169	\$ 202,717
Information Systems.....	74,841	75,248^b	84,607
(F)Medical Assistance - Information Systems.....	194,359	121,625	168,595
(F)Child Welfare - Title IV-E - Information Systems.....	6,804	11,288	5,265
(F)TANFBG - Information Systems.....	9,327	9,339	14,417
(F)Food Stamps - Information Systems.....	12,201	13,689	13,689
(F)Child Support Enforcement - Information Systems.....	10,560	10,560	10,560
(A)Medical Data Exchange.....	41	37	37
(A)COMPASS Support - CHIP.....	593	597	597
(A)PDE - Early Intervention.....	0	650	650
Subtotal.....	\$ 308,726	\$ 243,033	\$ 298,417
County Administration - Statewide.....	33,367	41,204^c	52,832
(F)TANFBG - Statewide.....	1,072	1,072	1,072
(F)Medical Assistance - Statewide.....	56,198	60,027	59,603
(F)Food Stamps - Statewide.....	50,462	51,143	40,318
(F)ARRA - Health Information Technology.....	13,900	20,849	20,939
(F)CHIPRA - Statewide.....	4,264	3,179	0
(A)County Administration - Statewide.....	35	154	154
(A)Fee for Material from Outside Vendors.....	1	5	0
(A)Food Stamps - Retained Collections.....	2,116	1,780	1,780
Subtotal.....	\$ 161,415	\$ 179,413	\$ 176,698
County Assistance Offices.....	312,579	334,900^d	346,864
(F)TANFBG - County Assistance Offices.....	46,490	53,033	48,654
(F)Medical Assistance - County Assistance Offices.....	121,645	135,063	173,622
(F)Food Stamps - County Assistance Offices.....	114,422	119,950	124,532
(F)SSBG - County Assistance Offices.....	6,262	6,262	6,262
(F)LIHEABG - Administration.....	27,000	27,000	27,000
(A)Miscellaneous Reimbursements.....	16	0	0
Subtotal.....	\$ 628,414	\$ 676,208	\$ 726,934
Child Support Enforcement.....	13,815	11,703	12,714
(F)Child Support Enforcement - Title IV - D.....	153,155	154,662	167,873
(A)Title IV - D Incentive Collections.....	7,300	8,731	12,231
(A)State Retained Support Collections.....	1,214	1,269	1,269
Subtotal.....	\$ 175,484	\$ 176,365	\$ 194,087

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
New Directions.....	22,497	23,809	25,239
(F)TANFBG - New Directions.....	121,893	109,522	109,522
(F)Medical Assistance - New Directions.....	5,217	5,590	5,590
(F)Food Stamps - New Directions.....	10,221	10,639	10,639
Subtotal.....	\$ 159,828	\$ 149,560	\$ 150,990
Children's Health Insurance Administration.....	6,241^e	2,244	1,234
(F)Children's Health Insurance Administration.....	14,355 ^f	17,138	10,575
Subtotal.....	\$ 20,596	\$ 19,382	\$ 11,809
Subtotal - State Funds.....	\$ 539,853	\$ 582,232	\$ 620,555
Subtotal - Federal Funds.....	1,055,681	1,030,101	1,113,592
Subtotal - Augmentations.....	22,540	20,797	27,505
Total - General Government.....	\$ 1,618,074	\$ 1,633,130	\$ 1,761,652
Institutional:			
Youth Development Institutions and Forestry Camps.....	\$ 63,299	\$ 65,732	\$ 66,777
(F)SSBG - Basic Institutional Programs.....	10,000	10,000	10,000
(F)Food Nutrition Services.....	800	800	800
(F)Juvenile Justice Rape Elimination (EA).....	0	28	0
(A)Institutional Reimbursements.....	3	10	10
Subtotal.....	\$ 74,102	\$ 76,570	\$ 77,587
Mental Health Services.....	731,584	790,663^g	846,777
(F)Medical Assistance - Mental Health.....	188,934	183,560	162,034
(F)Medicare Services - State Mental Hospitals.....	13,750	13,782	15,782
(F)Homeless Mentally Ill.....	2,496	2,496	2,496
(F)MHSBG - Community Mental Health Services.....	20,400	18,000	18,000
(F)SSBG - Community Mental Health Services.....	10,366	10,366	10,366
(F)Suicide Prevention.....	500	470	0
(F)Mental Health Data Infrastructure.....	145	500	145
(F)Jail Diversion & Trauma Recovery.....	400	205	0
(F)Child Mental Health Initiative.....	3,000	1,500	1,500
(F)System of Care Expansion Implementation.....	2,000	2,500	2,500
(F)Mental Health - Safe Schools.....	4,250	6,640	6,000
(F)Project LAUNCH.....	850	800	800
(F)Youth Suicide Prevention.....	736	736	736
(F)Supported Employment Program Grant.....	800	800	0
(F)Transition Age Youth.....	1,000	1,500	1,500
(F)Offender Re-Entry Program.....	0	400	400
(F)PA Certified Community Behavioral Health Clinics.....	0	887 ^h	833
(F)Bringing Recovery Supports to Scale.....	0	0	75
(F)Bi terrorism Hospital Preparedness (EA).....	205	216	250
(A)Institutional Collections.....	8,137	8,711	7,711
(A)Miscellaneous Institutional Reimbursements.....	691	989	989
Subtotal.....	\$ 990,244	\$ 1,045,721	\$ 1,078,894
Intellectual Disabilities - State Centers.....	132,984	138,496ⁱ	141,769
(F)Medical Assistance - State Centers.....	169,559	174,818	173,511
(F)Medicare Services - State Centers.....	555	493	508
(A)Institutional Collections - State Centers.....	10,173	9,689	9,774
(A)ID Assessment - State Centers.....	18,125	18,226	18,317
Subtotal.....	\$ 331,396	\$ 341,722	\$ 343,879
Subtotal - State Funds.....	\$ 927,867	\$ 994,891	\$ 1,055,323
Subtotal - Federal Funds.....	430,746	431,497	408,236
Subtotal - Augmentations.....	37,129	37,625	36,801
Total - Institutional.....	\$ 1,395,742	\$ 1,464,013	\$ 1,500,360

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Grants and Subsidies:			
Cash Grants.....	\$ 45,457	\$ 25,457	\$ 25,457
(F)TANFBG - Cash Grants.....	319,393	308,975	288,975
(F)Other Federal Support - Cash Grants.....	20,619	17,388	17,388
(F)LIHEABG - Low-Income Families and Individuals.....	320,000	320,000	320,000
(F)Refugees and Persons Seeking Asylum - Social Services.....	9,785	10,781	12,758
Subtotal.....	\$ 715,254	\$ 682,601	\$ 664,578
Supplemental Grants - Aged, Blind and Disabled.....	137,656	136,976	136,368
Payment to Federal Government - Medicare Drug Program.....	535,074	578,018	629,343
Medical Assistance - Fee-for-Service.....	564,772	392,918^j	489,972
(F)Medical Assistance - Fee-for-Service.....	1,687,480	1,981,904	1,793,560
(F)ARRA - MA - Health Information Technology.....	92,760	80,000	80,000
(A)Hospital Assessment.....	203,312	140,252	140,252
(A)Statewide Hospital Assessment.....	395,302	463,317	470,225
Subtotal.....	\$ 2,943,626	\$ 3,058,391	\$ 2,974,009
Medical Assistance - Capitation.....	3,823,434	3,907,202^k	4,086,032
(F)Medical Assistance - Capitation.....	6,115,288	9,049,328	10,370,857
(F)Healthy PA.....	2,028,297	0	0
(A)MA - MCO Assessment.....	0	0	918,840
(A)Medicaid Managed Care Gross Receipt Tax.....	761,704	860,118	70,000
(A)Statewide Hospital Assessment.....	255,669	255,482	264,876
Subtotal.....	\$ 12,984,392	\$ 14,072,130	\$ 15,710,605
Medical Assistance - Obstetric and Neonatal Services.....	3,681	0	0
(F)Medical Assistance - Obstetric and Neonatal Services.....	7,186	7,250	0
(A)Statewide Hospital Assessment.....	3,000	0	0
Subtotal.....	\$ 13,867	\$ 7,250	\$ 0
Long-Term Care.....	810,545	968,083	1,096,608
(F)Medical Assistance - Long-Term Care.....	2,039,066	2,045,024 ^l	2,127,145
(A)Intergovernmental Transfer.....	0	86,749	98,283
(A)Nursing Home Assessment.....	480,925	537,515	489,884
Subtotal.....	\$ 3,330,536	\$ 3,637,371	\$ 3,811,920
Home and Community - Based Services.....	132,951	255,441^m	312,160
(F)Medical Assistance - Home & Community-Based Services.....	345,906	410,575 ⁿ	452,472
Subtotal.....	\$ 478,857	\$ 666,016	\$ 764,632
Long-Term Care Managed Care.....	99,868	116,133	136,214
(F)Medical Assistance - Long-Term Care Managed Care.....	125,242	131,872	146,594
Subtotal.....	\$ 225,110	\$ 248,005	\$ 282,808
Hospital-Based Burn Centers.....	3,782	0	0
(F)Medical Assistance - Hospital-Based Burn Centers.....	4,068	4,098	0
Subtotal.....	\$ 7,850	\$ 4,098	\$ 0
Medical Assistance - Critical Access Hospitals.....	3,876	0	0
(F)Medical Assistance - Critical Access Hospitals.....	7,611	9,620	0
(A)Statewide Hospital Assessment.....	3,200	0	0
Subtotal.....	\$ 14,687	\$ 9,620	\$ 0
Trauma Centers.....	8,656	8,656	8,656
(F)Medical Assistance - Trauma Centers.....	9,310	9,385	9,296
Subtotal.....	\$ 17,966	\$ 18,041	\$ 17,952

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Medical Assistance - Academic Medical Centers	17,431	19,681	17,431
(F)Medical Assistance - Academic Medical Centers.....	18,799	23,904	18,718
Subtotal.....	\$ 36,230	\$ 43,585	\$ 36,149
Medical Assistance - Physician Practice Plans	9,071	12,071 o	12,071
(F)Medical Assistance - Physician Practice Plans.....	11,535	13,083 p	12,993
Subtotal.....	\$ 20,606	\$ 25,154	\$ 25,064
Medical Assistance - Transportation	56,438	62,657	65,483
(F)Medical Assistance - Transportation.....	67,427	74,551	79,538
Subtotal.....	\$ 123,865	\$ 137,208	\$ 145,021
Expanded Medical Services for Women	5,694	6,263	6,263
(F)TANFBG - Alternatives to Abortion.....	1,000	1,000	1,000
Subtotal.....	\$ 6,694	\$ 7,263	\$ 7,263
Special Pharmaceutical Services	1,195	1,377	1,268
Behavioral Health Services	43,117	47,214 q	66,351
(F)Access to Medication-Assisted Treatment.....	0	0	1,000
Subtotal.....	\$ 43,117	\$ 47,214	\$ 67,351
Intellectual Disabilities - Intermediate Care Facilities	152,298	139,110	142,621
(F)Medical Assistance - ID/ICF.....	190,253	193,005	177,952
(A)ID Assessment - ID/ICF.....	16,828	19,700	19,700
Subtotal.....	\$ 359,379	\$ 351,815	\$ 340,273
Intellectual Disabilities - Community Base Program	149,681	153,561 r	158,914
(F)Medical Assistance - Community ID Services.....	53,958	52,350	52,208
(F)SSBG - Community ID Services.....	7,451	7,451	7,451
Subtotal.....	\$ 211,090	\$ 213,362	\$ 218,573
Intellectual Disabilities - Community Waiver Program	1,074,887	1,211,993 s	1,283,376
(F)Medical Assistance - Community ID Waiver Program.....	1,214,992	1,279,651	1,335,919
Subtotal.....	\$ 2,289,879	\$ 2,491,644	\$ 2,619,295
Early Intervention	127,974	127,974	129,211
(F)Medical Assistance - Early Intervention.....	59,114	54,272	53,641
(F)Education for Children with Disabilities-Early Intervention.....	19,953	19,953	22,057
Subtotal.....	\$ 207,041	\$ 202,199	\$ 204,909
Autism Intervention and Services	19,169	21,501	23,978
(F)Medical Assistance - Autism Intervention Services.....	17,467	18,863 t	22,273
Subtotal.....	\$ 36,636	\$ 40,364	\$ 46,251
Intellectual Disabilities - Lansdowne Residential Services	340	340	340
County Child Welfare	1,081,521	949,726	1,149,523
(F)Child Welfare Services.....	13,759	13,640	13,640
(F)Child Welfare - Title IV-E.....	318,241	318,741	321,693
(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.....	15,688	15,688	15,688
(F)Community Based Family Resource and Support.....	134	134	134
(F)Child Abuse Prevention and Treatment.....	2,100	2,100	2,100
(F)Title IV B - Caseworker Visits.....	1,365	1,365	1,365
(F)Children's Justice Act.....	1,150	1,150	1,150
(A)Casey Family Project.....	25	50	50
(A)Birth Certificate - Mandated Reporter Training.....	280	953	953
Subtotal.....	\$ 1,506,203	\$ 1,375,487	\$ 1,578,236

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Family Centers and Home Visiting.....	3,258^u	3,258^u	13,258
(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	1,553 ^v	1,553
(F)MCH - Early Childhood Home Visiting.....	13,731 ^w	14,300 ^w	14,300
Subtotal.....	\$ 25,731	\$ 26,600	\$ 36,600
Child Care Services.....	155,691	155,691	167,691
(F)CCDFBG - Child Care Services.....	210,889	244,856	265,268
(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	258	258
(F)Early Learning Challenge Grant - Child Care Services.....	15,221	16,953	15,965
Subtotal.....	\$ 414,263	\$ 449,995	\$ 481,419
Child Care Assistance.....	152,609	152,609	152,609
(F)TANFBG - Child Care Assistance.....	27,557	29,357	36,139
(F)CCDFBG - Child Care Assistance.....	143,630	130,985	131,866
(F)Food Stamps - Child Care Assistance.....	4,627	3,576	2,605
(A)Early Childhood Education Revenue.....	1,665	1,646	1,646
Subtotal.....	\$ 330,088	\$ 318,173	\$ 324,865
Nurse Family Partnership.....	11,978	11,978	11,978
(F)Medical Assistance - Nurse Family Partnership.....	2,544	2,544	2,544
Subtotal.....	\$ 14,522	\$ 14,522	\$ 14,522
Domestic Violence.....	15,319	16,851	16,851
(F)Family Violence Prevention Services.....	3,081	3,081	3,081
(F)SSBG - Domestic Violence Programs.....	5,705	5,705	5,705
(F)PHHSBG - Domestic Violence (EA).....	100	100	100
(A)Marriage Law Fees.....	933	833	833
Subtotal.....	\$ 25,138	\$ 26,570	\$ 26,570
Rape Crisis.....	8,763	9,639	9,639
(F)SSBG - Rape Crisis.....	1,721	1,721	1,721
Subtotal.....	\$ 10,484	\$ 11,360	\$ 11,360
Breast Cancer Screening.....	1,623	1,623	1,785
(F)SSBG - Family Planning.....	2,000	2,000	2,000
Subtotal.....	\$ 3,623	\$ 3,623	\$ 3,785
Human Services Development Fund.....	13,460	13,959^x	14,458
Subtotal.....	\$ 13,460	\$ 13,959	\$ 14,458
Legal Services.....	2,461	2,461	2,707
(F)SSBG - Legal Services.....	5,049	5,049	5,049
Subtotal.....	\$ 7,510	\$ 7,510	\$ 7,756
Homeless Assistance.....	18,496	20,181^y	20,866
(F)SSBG - Homeless Services.....	4,183	4,183	4,183
(F)SABG - Homeless Services.....	1,983	1,983	0
(F)SABG - Homeless Services (EA).....	0	1,983	1,983
Subtotal.....	\$ 24,662	\$ 28,330	\$ 27,032
Services to Persons with Disabilities.....	273,538	334,036^z	378,177
(F)Medical Assistance - Services to Persons with Disabilities.....	324,202	371,922 ^{aa}	409,797
Subtotal.....	\$ 597,740	\$ 705,958	\$ 787,974
Attendant Care.....	137,229	160,010^{ab}	172,909
(F)Medical Assistance - Attendant Care.....	124,402	149,434 ^{ac}	157,267

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(A)Attendant Care Parking Fines.....	59	59	59
(A)Attendant Care Patient Fee.....	690	690	690
Subtotal.....	\$ 262,380	\$ 310,193	\$ 330,925
Medical Assistance - Workers with Disabilities.....	115,450	52,205^{ad}	34,482
(F)Medical Assistance - Workers with Disabilities.....	131,366	110,661	37,111
Subtotal.....	\$ 246,816	\$ 162,866	\$ 71,593
Children's Health Insurance Program.....	76,094^{ae}	13,553	6,591
(F)Children's Health Insurance Program.....	307,536 ^{af}	303,616	307,999
Subtotal.....	\$ 383,630	\$ 317,169	\$ 314,590
Subtotal - State Funds.....	\$ 9,894,537	\$ 10,090,406	\$ 10,981,641
Subtotal - Federal Funds.....	16,589,068	17,994,587	19,277,725
Subtotal - Augmentations.....	2,123,592	2,367,364	2,476,291
Total - Grants and Subsidies.....	\$ 28,607,197	\$ 30,452,357	\$ 32,735,657
STATE FUNDS.....	\$ 11,362,257	\$ 11,667,529	\$ 12,657,519
FEDERAL FUNDS.....	18,075,495	19,456,185	20,799,553
AUGMENTATIONS.....	2,183,261	2,425,786	2,540,597
GENERAL FUND TOTAL.....	\$ 31,621,013	\$ 33,549,500	\$ 35,997,669
LOTTERY FUND:			
Grants and Subsidies:			
Medical Assistance - Long-Term Care.....	\$ 309,081	\$ 184,081	\$ 184,081
Home and Community-Based Services.....	162,577	105,668 ^{ag}	105,668
Medical Assistance - Transportation Services.....	4,900	4,900	3,300
Total - Grants and Subsidies.....	\$ 476,558	\$ 294,649	\$ 293,049
LOTTERY FUND TOTAL.....	\$ 476,558	\$ 294,649	\$ 293,049
OTHER FUNDS:			
GENERAL FUND:			
Children's Health Insurance Program (R).....	\$ 32,995 ^{ah}	\$ 39,104	\$ 30,730
TOBACCO SETTLEMENT FUND:			
Medical Care for Workers with Disabilities (EA).....	\$ 46,723	\$ 91,479	\$ 92,761
Medical Assistance - Workers with Disabilities (F).....	51,351	98,964	99,839
Subtotal.....	\$ 98,074	\$ 190,443	\$ 192,600
Uncompensated Care (EA).....	25,278	24,943	25,293
Medical Assistance - Uncompensated Care (F).....	27,188	27,241	27,160
Subtotal.....	\$ 52,466	\$ 52,184	\$ 52,453
Home and Community-Based Services (EA).....	40,172	39,641	40,197
Medical Assistance - Community Services (F).....	47,638	42,962	43,165
Subtotal.....	\$ 87,810	\$ 82,603	\$ 83,362
Medical Assistance - Long-Term Care.....	238,929	111,386 ^{ai}	112,940
TOBACCO SETTLEMENT FUND TOTAL.....	\$ 477,279	\$ 436,616	\$ 441,355
CHILDREN'S TRUST FUND:			
Children's Trust Fund (EA).....	\$ 1,400	\$ 1,400	\$ 1,400

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 11,362,257	\$ 11,667,529	\$ 12,657,519
SPECIAL FUNDS.....	476,558	294,649	293,049
FEDERAL FUNDS.....	18,075,495	19,456,185	20,799,553
AUGMENTATIONS.....	2,183,261	2,425,786	2,540,597
OTHER FUNDS.....	511,674	477,120	473,485
TOTAL ALL FUNDS.....	\$ 32,609,245	\$ 34,321,269	\$ 36,764,203

^a Includes recommended supplemental appropriation of \$3,674,000.

^b Includes recommended supplemental appropriation of \$1,165,000.

^c Includes recommended supplemental appropriation of \$5,611,000.

^d Includes recommended supplemental appropriation of \$18,581,000.

^e Appropriated in Insurance Department.

^f Appropriated in Insurance Department.

^g Includes recommended supplemental appropriation of \$22,606,000.

^h Includes recommended supplemental appropriation of \$10,000.

ⁱ Includes recommended supplemental appropriation of \$1,948,000.

^j Reflects recommended appropriation reduction of \$35,117,000.

^k Includes recommended supplemental appropriation of \$1,947,601,000.

^l Includes recommended supplemental appropriation of \$9,152,000.

^m Includes recommended supplemental appropriation of \$28,996,000.

ⁿ Includes recommended supplemental appropriation of \$20,225,000.

^o Includes recommended supplemental appropriation of \$2,500,000.

^p Includes recommended supplemental appropriation of \$2,710,000.

^q Includes recommended supplemental appropriation of \$4,097,000.

^r Includes recommended supplemental appropriation of \$5,332,000.

^s Includes recommended supplemental appropriation of \$9,310,000.

^t Includes recommended supplemental appropriation of \$325,000.

^u Appropriated as Community Based Family Centers.

^v Includes recommended supplemental appropriation of \$300,000.

^w Appropriated in Nurse Family Partnership.

^x Includes recommended supplemental appropriation of \$499,000.

^y Includes recommended supplemental appropriation of \$1,685,000.

^z Includes recommended supplemental appropriation of \$20,320,000.

^{aa} Includes recommended supplemental appropriation of \$21,593,000.

^{ab} Includes recommended supplemental appropriation of \$11,719,000.

^{ac} Includes recommended supplemental appropriation of \$11,557,000.

^{ad} Reflects recommended appropriation reduction of \$10,186,000.

Summary by Fund and Appropriation

^{ae}Appropriated in Insurance Department.

^{af}Appropriated in Insurance Department.

^{ag}Reflects recommended appropriation reduction of \$10,000,000.

^{ah}Restricted account in Insurance Department.

^{ai}Reflects recommended appropriation reduction of \$5,223,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 151,354	\$ 168,372	\$ 181,672	\$ 177,189	\$ 178,961	\$ 180,750	\$ 182,557
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	309,125	254,972	307,391	290,248	292,022	293,814	295,624
OTHER FUNDS.....	11,858	8,858	12,071	12,071	12,071	12,071	12,071
SUBCATEGORY TOTAL.....	<u>\$ 472,337</u>	<u>\$ 432,202</u>	<u>\$ 501,134</u>	<u>\$ 479,508</u>	<u>\$ 483,054</u>	<u>\$ 486,635</u>	<u>\$ 490,252</u>
MEDICAL ASSISTANCE							
GENERAL FUND.....	\$ 5,148,554	\$ 5,041,048	\$ 5,351,001	\$ 5,469,477	\$ 5,673,678	\$ 5,885,821	\$ 6,106,221
SPECIAL FUNDS.....	4,900	4,900	3,300	3,300	3,300	3,300	3,300
FEDERAL FUNDS.....	10,182,127	11,364,784	12,403,073	12,647,952	13,076,350	13,554,064	14,050,107
OTHER FUNDS.....	1,772,727	1,961,796	2,109,246	2,039,246	2,039,246	2,039,246	2,039,246
SUBCATEGORY TOTAL.....	<u>\$ 17,108,308</u>	<u>\$ 18,372,528</u>	<u>\$ 19,866,620</u>	<u>\$ 20,159,975</u>	<u>\$ 20,792,574</u>	<u>\$ 21,482,431</u>	<u>\$ 22,198,874</u>
LONG TERM LIVING							
GENERAL FUND.....	\$ 1,454,131	\$ 1,833,703	\$ 2,096,068	\$ 2,324,577	\$ 2,445,100	\$ 2,573,813	\$ 2,711,363
SPECIAL FUNDS.....	471,658	289,749	289,749	289,749	289,749	289,749	289,749
FEDERAL FUNDS.....	2,958,818	3,108,827	3,293,275	3,514,823	3,644,946	3,783,487	3,931,107
OTHER FUNDS.....	808,413	819,002	785,218	785,218	785,218	785,218	785,218
SUBCATEGORY TOTAL.....	<u>\$ 5,693,020</u>	<u>\$ 6,051,281</u>	<u>\$ 6,464,310</u>	<u>\$ 6,914,367</u>	<u>\$ 7,165,013</u>	<u>\$ 7,432,267</u>	<u>\$ 7,717,437</u>
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 565,371	\$ 574,049	\$ 599,474	\$ 623,850	\$ 628,270	\$ 632,735	\$ 637,244
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,401,998	1,415,135	1,434,747	1,437,135	1,439,547	1,441,983	1,444,444
OTHER FUNDS.....	10,682	11,939	15,434	15,434	15,434	15,434	15,434
SUBCATEGORY TOTAL.....	<u>\$ 1,978,051</u>	<u>\$ 2,001,123</u>	<u>\$ 2,049,655</u>	<u>\$ 2,076,419</u>	<u>\$ 2,083,251</u>	<u>\$ 2,090,152</u>	<u>\$ 2,097,122</u>
MENTAL HEALTH							
GENERAL FUND.....	\$ 774,701	\$ 837,877	\$ 913,128	\$ 965,456	\$ 999,157	\$ 1,034,206	\$ 1,070,658
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	249,832	245,358	224,417	230,898	237,639	244,649	251,940
OTHER FUNDS.....	8,828	9,700	8,700	8,700	8,700	8,700	8,700
SUBCATEGORY TOTAL.....	<u>\$ 1,033,361</u>	<u>\$ 1,092,935</u>	<u>\$ 1,146,245</u>	<u>\$ 1,205,054</u>	<u>\$ 1,245,496</u>	<u>\$ 1,287,555</u>	<u>\$ 1,331,298</u>
INTELLECTUAL DISABILITIES							
GENERAL FUND.....	\$ 1,529,359	\$ 1,665,001	\$ 1,750,998	\$ 1,830,720	\$ 1,884,933	\$ 1,941,079	\$ 1,999,226
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,654,235	1,726,631	1,769,822	1,790,074	1,923,098	1,989,623	2,058,807
OTHER FUNDS.....	45,126	47,615	47,791	47,791	47,791	47,791	47,791
SUBCATEGORY TOTAL.....	<u>\$ 3,228,720</u>	<u>\$ 3,439,247</u>	<u>\$ 3,568,611</u>	<u>\$ 3,668,585</u>	<u>\$ 3,855,822</u>	<u>\$ 3,978,493</u>	<u>\$ 4,105,824</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
HUMAN SERVICES							
GENERAL FUND.....	\$ 1,204,942	\$ 1,080,172	\$ 1,282,606	\$ 1,287,927	\$ 1,290,705	\$ 1,293,594	\$ 1,296,599
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	458,999	461,391	462,332	462,332	462,332	462,332	462,332
OTHER FUNDS.....	1,241	1,846	1,846	1,846	1,846	1,846	1,846
SUBCATEGORY TOTAL.....	<u>\$ 1,665,182</u>	<u>\$ 1,543,409</u>	<u>\$ 1,746,784</u>	<u>\$ 1,752,105</u>	<u>\$ 1,754,883</u>	<u>\$ 1,757,772</u>	<u>\$ 1,760,777</u>
CHILD DEVELOPMENT							
GENERAL FUND.....	\$ 451,510	\$ 451,510	\$ 474,747	\$ 474,747	\$ 474,747	\$ 474,747	\$ 474,747
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	538,470	558,333	585,922	585,922	585,922	585,922	585,922
OTHER FUNDS.....	3,065	3,046	3,046	3,046	3,046	3,046	3,046
SUBCATEGORY TOTAL.....	<u>\$ 993,045</u>	<u>\$ 1,012,889</u>	<u>\$ 1,063,715</u>	<u>\$ 1,063,715</u>	<u>\$ 1,063,715</u>	<u>\$ 1,063,715</u>	<u>\$ 1,063,715</u>
CHILDREN'S HEALTH INSURANCE PROGRAM							
GENERAL FUND.....	\$ 82,335	\$ 15,797	\$ 7,825	\$ 11,350	\$ 16,178	\$ 21,463	\$ 27,405
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	321,891	320,754	318,574	353,626	394,388	436,012	489,178
OTHER FUNDS.....	32,995	39,104	30,730	30,730	30,730	30,730	30,730
SUBCATEGORY TOTAL.....	<u>\$ 437,221</u>	<u>\$ 375,655</u>	<u>\$ 357,129</u>	<u>\$ 395,706</u>	<u>\$ 441,296</u>	<u>\$ 488,205</u>	<u>\$ 547,313</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 11,362,257	\$ 11,667,529	\$ 12,657,519	\$ 13,165,293	\$ 13,591,729	\$ 14,038,208	\$ 14,506,020
SPECIAL FUNDS.....	476,558	294,649	293,049	293,049	293,049	293,049	293,049
FEDERAL FUNDS.....	18,075,495	19,456,185	20,799,553	21,313,010	22,056,244	22,791,886	23,569,461
OTHER FUNDS.....	2,694,935	2,902,906	3,014,082	2,944,082	2,944,082	2,944,082	2,944,082
DEPARTMENT TOTAL.....	<u><u>\$ 32,609,245</u></u>	<u><u>\$ 34,321,269</u></u>	<u><u>\$ 36,764,203</u></u>	<u><u>\$ 37,715,434</u></u>	<u><u>\$ 38,885,104</u></u>	<u><u>\$ 40,067,225</u></u>	<u><u>\$ 41,312,612</u></u>

Program: Human Services Support

Goal: To provide effective administrative and support systems through which the substantive programs of the department can be operated.

The Human Services Support program provides the policy direction, management and administrative systems required to implement, maintain and monitor the substantive programs of the department.

Information systems are critical to the management of human services. The technology challenge is to provide timely and accurate information that enables the integration of numerous client services and tracks individual progress toward self-sufficiency. The continued creation and expansion of web-based applications allows for more online services and efficient maintenance of common client and provider databases, as well as case management systems, for use across programs. 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.

The program also provides for management and oversight of the Medical Assistance (MA) third-party liability program. The recovery of MA dollars, which have been paid either incorrectly or correctly, is ongoing and occurs where other funding sources have become available or there is a requirement to recoup expended funds.

In addition, the program strives to ensure the health, safety and well-being of Pennsylvanians who are vulnerable due to age or disability by inspecting, licensing and otherwise regulating residential and other services that support them.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations			Information Systems		
\$	7,021	—to continue current program.	\$	5,818	—to continue current program.
	950	—to provide for eHealth program support transferred from eHealth Partnership Authority.		2,098	—to reflect change in federal earnings.
				-6,977	—decrease for data powerhouse and computer services transition.
	-4,030	—to reflect change in federal earnings.		545	—Initiative—Express Lane Eligibility. System support to implement outreach activities to reach and enroll eligible uninsured children into Medicaid or the Children's Health Insurance Program.
\$	3,941	<i>Appropriation Increase</i>		7,875	—Initiative—Community HealthChoices Administration. To address administrative activities to implement Community HealthChoices.
			\$	9,359	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 76,513	\$ 93,124	\$ 97,065	\$ 98,036	\$ 99,016	\$ 100,006	\$ 101,006
Information Systems.....	74,841	75,248	84,607	79,153	79,945	80,744	81,551
TOTAL GENERAL FUND	\$ 151,354	\$ 168,372	\$ 181,672	\$ 177,189	\$ 178,961	\$ 180,750	\$ 182,557

Program: Medical Assistance

Goal: To support a health care delivery system that provides comprehensive health care services in appropriate settings for eligible populations.

Pennsylvania's Medical Assistance (MA) program provides access to comprehensive physical and behavioral health care services for individuals and families whose income is below 138 percent of Federal Poverty Level. The MA program also extends coverage to certain individuals who meet limited medical criteria as well as disabled individuals with incomes up to 250 percent of federal poverty level who pay a health care premium equal to or higher than five percent of their monthly income.

Program Element: Capitation

Health care services for most MA recipients are provided through managed care organizations (MCOs) utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services and disease management as a means of controlling costs. The coordinated approach allows enhanced continuity of care, improves recipients' access to primary physician care and specialized behavioral health programs, provides strengthened oversight of operational standards, and facilitates an efficient utilization of limited health care resources.

Pennsylvania's mandatory managed care program is known as HealthChoices. Physical Health (PH) managed care services are administered by the Office of Medical Assistance Programs (OMAP). The HealthChoices program completed an expansion plan to the entire commonwealth on March 1, 2013. The program is managed to emphasize quality, access, and value for the funds that are expended. The program is provided through grant agreements with seven risk-based MCOs in five geographic zones. PH-MCO enrollees receive medically necessary physical health services, which include inpatient, outpatient, primary care, pharmaceuticals, home health, dental and vision services. Some MA recipients do not participate in the HealthChoices PH program and remain in fee-for-service, including but not limited to: nursing home residents (after 30 days), Living Independence for the Elderly (LIFE), Health Insurance Premium Payment eligible members, residents of state institutions, and recipients age 21 and older that are dually eligible for Medicare (including Part D) and Medicaid. New MA recipients are usually enrolled in fee-for-service for a brief time before choosing a MCO and enrolling in the PH HealthChoices program.

The HealthChoices Behavioral Health (BH) program, administered by the Office of Mental Health and Substance Abuse Services, has operated statewide since July 1, 2007. The HealthChoices program is provided through

contracts with the counties who utilize an independent BH-MCO or through contracts directly with BH-MCOs. Services provided include psychiatric inpatient treatment, partial hospitalization, psychiatric outpatient services, Early Periodic Screening Diagnosis and Treatment services for children, case management, drug and alcohol detoxification, and rehabilitation services.

Program Element : Medical Assistance Fee-for-Service

Health care services for the remaining MA recipients are provided through the aforementioned fee-for-service delivery system. Outpatient services include the majority of preventive services performed outside of acute care facilities, such as hospitals. Outpatient services include medical or dental care furnished by a broad range of practitioners in a variety of settings such as offices, clinics, outpatient surgery, acute care short procedure units, as well rehabilitation, drug and alcohol treatment, pharmacy benefits, ambulance transportation, home health care, medical supplies and equipment and prosthetic devices.

In response to the rising cost of prescription drugs, OMAP has taken steps to cost-effectively manage utilization of pharmacy services without compromising access to quality care. The use of clinically-based preferred drug lists provides for supplemental drug rebates and enforces the use of drugs considered best in class. Additional efforts include prior authorization of medications with high costs or health and safety risks to consumers and the implementation of quantity limits.

Inpatient hospital services include care for MA beneficiaries in acute care general, rehabilitation, and private psychiatric hospitals. The inpatient MA Program provides eligible beneficiaries coverage of inpatient hospital services on a 24-hour basis, which includes room, board, and professional services. Individuals in this program are admitted to the inpatient service upon written order. MA does not cover hospital care solely for cosmetic procedures, nor diagnostic or therapeutic procedures solely for experimental, research, or educational purposes.

OMAP uses software known as All Patient Refined Diagnosis Related Groups (APR-DRGs) to adjust payments for discharge from acute care general hospitals for severity of illness. OMAP also applies high and low cost outlier payment adjustments to payments for discharges. Freestanding psychiatric and rehabilitation hospitals and distinct psychiatric and rehabilitation units of acute care are paid through per diem payments.

Program: Medical Assistance (continued)

OMAP also makes separate payments to hospital-employed or contracted practitioners (physicians, Certified Registered Nurse Practitioners, dentists, podiatrists, or midwives) when these practitioners provide direct professional services to the beneficiary during the inpatient hospital stay. Services are paid in accordance with the pre-established MA Fee Schedule. Additional payments are made to hospitals to partially offset the cost of uncompensated care or extraordinary medical services provided by hospitals to individuals with no, or inadequate, health care insurance.

Program Element: Medical Assistance Transportation Program

The purpose of the Medical Assistance Transportation Program (MATP) is to coordinate and provide efficient and cost-effective non-emergency medical transportation to ensure access to health care services for MA recipients who have no other means of transportation available.

The MATP provides funding to 65 county programs, a transit program for Northumberland County and a transportation broker in Philadelphia County to provide this service. Each is responsible for providing transportation to and/or from a medical facility, physician's office, dentist's office, hospital, clinic, pharmacy, or purveyor of medical

equipment for the purpose of receiving medical treatment, medical evaluation, or purchasing prescription drugs or medical equipment.

The MATP entails the following: assessing MATP eligibility, verifying if recipients could be transported at no cost to the program or if other options other than MA-funded transportation are available, determining the level of transportation services needed, providing funding for recipients to use public transit, reimbursing recipients for private vehicle mileage use, developing and managing a network of on-demand transportation providers, scheduling and dispatching on-demand paratransit trips and capturing and providing data.

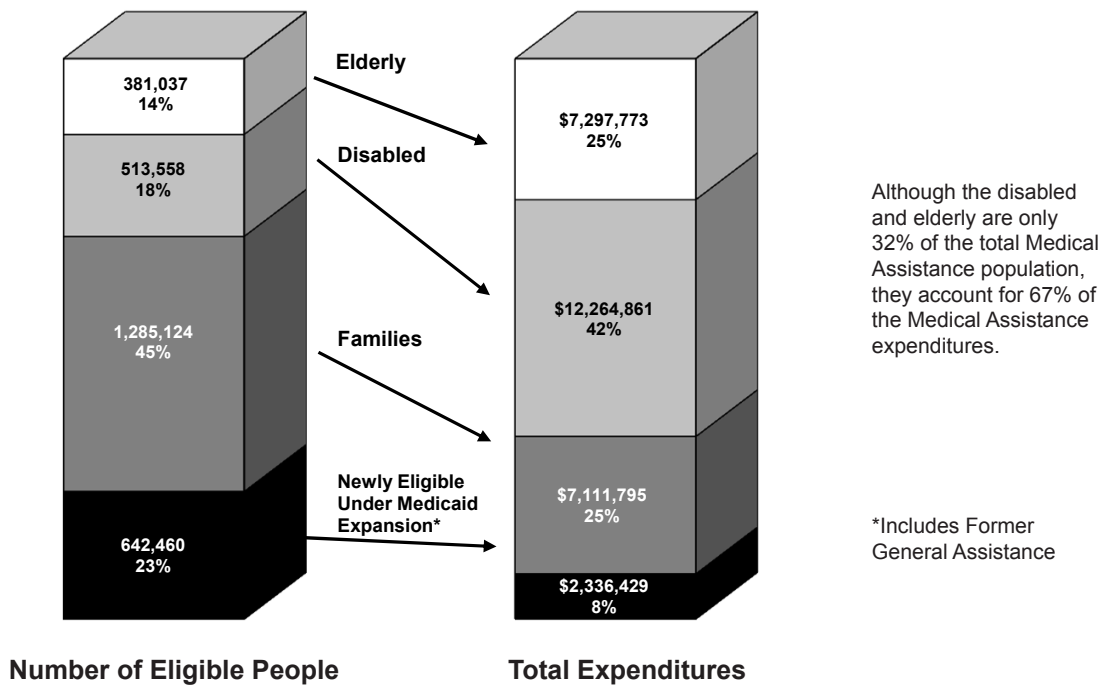
Program Element: Expanded Medical Services for Women

The Expanded Medical Services for Women program provides counseling and other services to women seeking alternatives to abortion. Nonprofits are awarded grants to provide services to women for up to 12 months after childbirth including food, shelter, clothing, health care, counseling, adoption services, parenting classes, assistance for post-delivery stress and other support programs.

Medicaid Expenditures and Enrollees by Category of Assistance

Fiscal Year 2016-17

(Dollar Amounts in Thousands)



Medicaid expenditures also includes Medical Assistance-Transportation, Intellectual Disabilities-Intermediate Care Facilities, Intellectual Disabilities-Community Waiver Program, Autism Intervention and Services, Services to Persons with Disabilities, Attendant Care and Medical Assistance-Workers with Disabilities.

Program: Medical Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND		—106,056	—impact of change in Gross Receipts Tax assessments and Quality Care assessment revenue.
	Payment to Federal Government - Medicare Drug Program			
\$ 51,325	—reflects increase in mandated payback for pharmacy services.	16,661		—Initiative—Combating the Heroin Epidemic. To provide 11,250 individuals with substance use disorder treatment in a Health Home facility.
	Medical Assistance - Fee-for-Service			
\$ 20,111	—change in caseload and utilization.	21,240		—Initiative—Express Lane Eligibility. To support uninsured children who are eligible for Medicaid or the Children's Health Insurance Program (CHIP), but are not currently enrolled.
25,792	—increase in costs and clients eligible for Medicare Part A and B premiums.			
4,921	—to provide for increased utilization and cost of prescription drugs.			
1,789	—impact of administrative and other cash flow initiatives.	\$ 178,830		<i>Appropriation Increase</i>
36,012	—nonrecurring prior year carryover funds.			
5,016	—revision of federal financial participation under Affordable Care Act from 100% to 95%.	\$ -2,250		Medical Assistance - State-Related Academic Medical Centers
2,303	—revision of federal financial participation from 52.01% to 51.78%.			—program reduction.
619	—annualization of prior year initiatives.	\$ 4,269		
491	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. This amount reflects year two of additional restoration funds.	1,195		Medical Assistance - Transportation
		53		—change in caseload and utilization.
		—2,491		—annualization of Medicaid Expansion programs.
		—200		—revision of federal financial participation from 52.01% to 51.78%.
		\$ 2,826		—nonrecurring prior year costs.
				—reflects impact of change in available Lottery Funds.
\$ 97,054	<i>Appropriation Increase</i>			<i>Appropriation Increase</i>
	Medical Assistance - Capitation	\$ -109		Special Pharmaceutical Services
\$ 218,235	—change in enrollment and rate increases.			—to continue current program.
5,628	—impact of administrative and other cash flow adjustments.			
4,111	—impact of observation payments.	\$ -16,773		Medical Assistance - Workers with Disabilities
66,806	—nonrecurring prior year carryover funds.	332		—change in caseload and utilization.
6,702	—revision of federal financial participation from 52.01% to 51.78%.	—1,282		—revision of federal financial participation from 52.01% to 51.78%.
55,173	—revision of federal financial participation under Affordable Care Act from 100% to 95%.	\$ -17,723		—reflects impact of change in available Tobacco Settlement Funds.
—15,331	—impact of increase in pharmacy rebates.			<i>Appropriation Decrease</i>
—28,783	—one-time impact of prior year medicaid expansion claims.			
—65,556	—impact of medicaid expansion claims.	\$ -1,600		LOTTERY FUND
				Medical Assistance - Transportation Services
				—decrease in Lottery Funds available for transfer.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Payment to Federal Government -							
Medicare Drug Program.....	\$ 535,074	\$ 578,018	\$ 629,343	\$ 654,517	\$ 680,697	\$ 707,925	\$ 736,242
Medical Assistance - Fee-for-Service	564,772	392,918	489,972	500,243	510,218	520,393	530,772
Medical Assistance - Capitation.....	3,823,434	3,907,202	4,086,032	4,167,753	4,334,463	4,507,841	4,688,155
Medical Assistance - Obstetric and							
Neonatal Services.....	3,681	0	0	0	0	0	0
Hospital-Based Burn Centers.....	3,782	0	0	0	0	0	0

Program: Medical Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Medical Assistance - Critical Access							
Hospitals	\$ 3,876	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trauma Centers	8,656	8,656	8,656	8,656	8,656	8,656	8,656
Medical Assistance - Academic Medical Centers	17,431	19,681	17,431	17,431	17,431	17,431	17,431
Medical Assistance - Physician Practice Plans	9,071	12,071	12,071	12,071	12,071	12,071	12,071
Medical Assistance - Transportation	56,438	62,657	65,483	66,793	68,129	69,491	70,881
Expanded Medical Services for Women	5,694	6,263	6,263	6,263	6,263	6,263	6,263
Special Pharmaceutical Services	1,195	1,377	1,268	1,268	1,268	1,268	1,268
Medical Assistance - Workers with Disabilities	115,450	52,205	34,482	34,482	34,482	34,482	34,482
TOTAL GENERAL FUND	\$ 5,148,554	\$ 5,041,048	\$ 5,351,001	\$ 5,469,477	\$ 5,673,678	\$ 5,885,821	\$ 6,106,221
LOTTERY FUND:							
Medical Assistance – Transportation Services	\$ 4,900	\$ 4,900	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300

Program: Long-Term Living

Goal: To support a long-term living system that empowers persons with disabilities and older Pennsylvanians to live with dignity and independence in settings they prefer, to provide meaningful choice of long-term living services and to ensure that those services are delivered in a high-quality, cost-effective manner.

The commonwealth's commitment to supporting people with disabilities and older Pennsylvanians is demonstrated through a continuum of services ranging from independent living, with the support of home and community-based services, to institutional care in a nursing facility.

Program Element: Community HealthChoices (CHC)

The commonwealth's goal is to serve more people in the community. To reach that goal, it will transition from multiple existing fee-for-service delivery systems to a consolidated, capitated, managed long-term services and supports system called Community HealthChoices. Under this system both home and community-based and nursing facility Medicaid-funded long-term services will be delivered by private managed care organizations. CHC will roll out in three phases over three years, beginning in the southwest in 2017, followed by the southeast in 2018 and finishing in 2019 with the remainder of the commonwealth.

CHC will provide necessary services to enrolled individuals and will coordinate Medicare and Medicaid funding for dually eligible (Medicare and Medicaid) individuals and those who qualify for Medicaid long-term services and supports. Behavioral health services, while not included in the model, will be strongly coordinated with the CHC program.

Program Element: Home and Community-Based Services

The commonwealth recognizes the value of providing greater independence, choices, and opportunities for individuals with disabilities and older Pennsylvanians by delivering services in the home and community. For qualifying individuals who want to receive services in the community, the department currently administers five home and community-based Medicaid waiver programs. In addition, the Office of Long-Term Living (OLTL) continues to oversee the Act 150 Attendant Care program and the Living Independence for the Elderly (LIFE) program, both of which help individuals to live as independently as possible, integrated in their communities.

Pennsylvanians who are in need of nursing facility care may qualify to receive services in the community through the CHC program and the LIFE program. These programs provide assistance with activities of daily living, as well as nursing services while encouraging use of informal supports available through family and friends.

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.

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: Long-Term Living (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		Long-Term Care Managed Care	
Long-Term Care			
\$ 17,828	—to provide for a rate increase.	\$ 9,590	—to continue current program, including annualization of prior year expansion.
31,398	—for increase in utilization.	2,265	—nonrecurring prior year federal Balancing Incentive Program initiative.
-1,229	—impact of administrative and other cash initiatives.	361	—revision of federal financial participation from 52.01% to 51.78%.
5,833	—revision of federal financial participation from 52.01% to 51.78%.	-1,030	—nonrecurring prior year costs.
53,131	—nonrecurring prior year revenue.	7,376	—Initiative—Community Opportunities. To provide home and community-based services to 600 additional older Pennsylvanians.
-1,554	—reflects impact of change in available Tobacco Settlement Funds.	1,519	—Initiative—Community Expansion. To expand LIFE program services in five counties.
-17,034	—reflects impact of increase in Intergovernmental Transfer funds and assessment revenue.		
12,085	—nonrecurring prior year carryover funds.	\$ 20,081	<i>Appropriation Increase</i>
7,351	—Initiative—Community HealthChoices Administration. To address administrative activities to implement Community HealthChoices.	\$ 22,000	Services to Persons with Disabilities
20,716	—Initiative—Community HealthChoices. To improve care coordination and health outcomes while allowing more individuals to live in their community.	6,788	—to continue current program, including annualization of prior year expansion.
		1,004	—nonrecurring prior year federal Balancing Incentive Program initiative.
\$ 128,525	<i>Appropriation Increase</i>	-7,243	—revision of federal financial participation from 52.01% to 51.78%.
		18,353	—nonrecurring prior year costs.
			—Initiative—Community Opportunities. To provide home and community-based services to 1,440 additional individuals with disabilities.
Home and Community-Based Services		3,239	—Initiative—Community HealthChoices. To improve care coordination and health outcomes while allowing more individuals to live in their community.
\$ 37,230	—to continue current program, including annualization of prior year expansion.	\$ 44,141	<i>Appropriation Increase</i>
8,212	—nonrecurring prior year federal Balancing Incentive Program initiative.		
-556	—reflects impact of change in available Tobacco Settlement Funds.	\$ 9,926	Attendant Care
1,213	—revision of federal financial participation from 52.01% to 51.78%.	2,766	—to continue current program, including annualization of prior year expansion.
-9,762	—nonrecurring prior year costs.	380	—nonrecurring prior year federal Balancing Incentive Program initiative.
17,930	—Initiative—Community Opportunities. To provide home and community-based services to 2,304 additional older Pennsylvanians.	-5,594	—revision of federal financial participation from 52.01% to 51.78%.
2,452	—Initiative—Community HealthChoices. To improve care coordination and health outcomes while allowing more individuals to live in their community.	4,739	—nonrecurring prior year costs.
\$ 56,719	<i>Appropriation Increase</i>	682	—Initiative—Community Opportunities. To provide home and community-based services to 600 additional individuals with disabilities.
			—Initiative—Community HealthChoices To improve care coordination and health outcomes while allowing more individuals to live in their community.
		\$ 12,899	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Long-Term Care.....	\$ 810,545	\$ 968,083	\$ 1,096,608	\$ 1,215,828	\$ 1,238,521	\$ 1,261,554	\$ 1,284,932
Home and Community - Based Services...	132,951	255,441	312,160	359,423	399,846	443,503	490,652
Long-Term Care Managed Care.....	99,868	116,133	136,214	149,835	164,819	181,301	199,431
Services to Persons with Disabilities	273,538	334,036	378,177	414,962	448,159	484,012	522,733
Attendant Care	137,229	160,010	172,909	184,529	193,755	203,443	213,615
TOTAL GENERAL FUND.....	\$ 1,454,131	\$ 1,833,703	\$ 2,096,068	\$ 2,324,577	\$ 2,445,100	\$ 2,573,813	\$ 2,711,363

Program: Long-Term Living (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
LOTTERY FUND:							
Medical Assistance - Long-Term Care.....	\$ 309,081	\$ 184,081	\$ 184,081	\$ 184,081	\$ 184,081	\$ 184,081	\$ 184,081
Home and Community-Based Services	<u>162,577</u>	<u>105,668</u>	<u>105,668</u>	<u>105,668</u>	<u>105,668</u>	<u>105,668</u>	<u>105,668</u>
TOTAL LOTTERY FUND	<u>\$ 471,658</u>	<u>\$ 289,749</u>	<u>\$ 289,749</u>	<u>\$ 289,749</u>	<u>\$ 289,749</u>	<u>\$ 289,749</u>	<u>\$ 289,749</u>

Program: Income Maintenance

Goal: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.

Program Element: Income Assistance

Caseworkers in the county assistance offices (CAOs) review financial and non-financial criteria with applicants of Temporary Assistance for Needy Families (TANF), Medical Assistance (MA) and the Supplemental Nutrition Assistance Program (SNAP) to determine eligibility for benefits.

The TANF program provides state and federal funds for temporary cash support for families in transition to self-sufficiency. TANF cash assistance is provided for a limited time to people who meet income and resource guidelines and who comply with work activity requirements or other requirements that are included on their Agreement of Mutual Responsibility (AMR). As a condition of eligibility for TANF cash assistance, adult recipients 18 years of age and older are required to sign and comply with the economic self-sufficiency plan in their AMR. The AMR outlines the steps the individual will take and the services the CAO caseworkers will provide to enable the family to become independent from public assistance. After assessing potential barriers to employment, most adult assistance recipients are required to take realistic, concrete steps that will lead to increased success in the workplace. Able-bodied adults are required to either work or participate in an approved work-related activity. Adults disabled to the extent that substantial gainful employment is not possible are required to cooperate in applying for federal benefits.

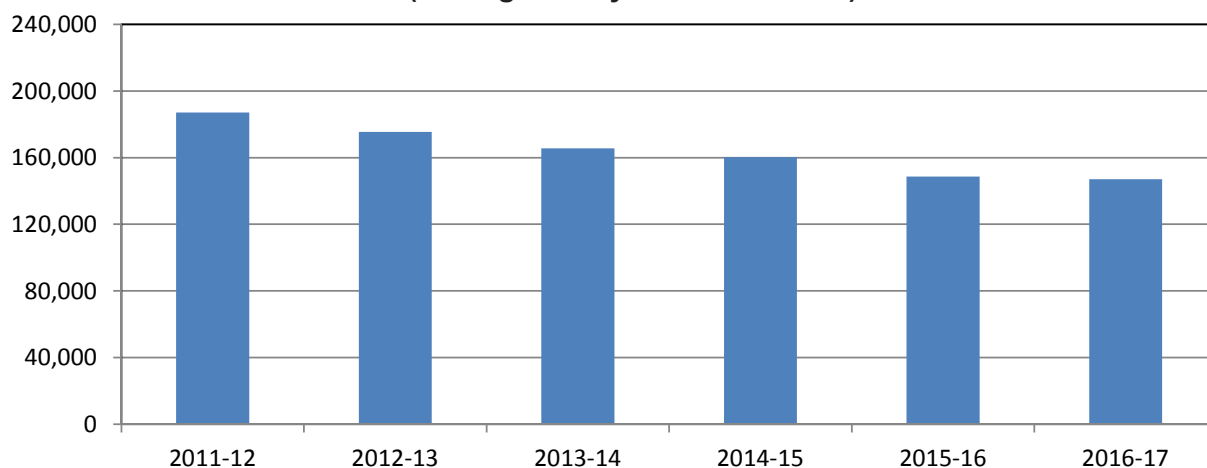
Federal regulations place a five-year lifetime limit on TANF cash assistance for most adult recipients and allow a hardship exemption for up to 20 percent of the TANF caseload. The department has implemented regulations

that define the hardship exemption and make provisions for extending the time period for a family with multiple barriers to employment that prevent the ability to reach self-sufficiency within the five-year limit.

The Low-Income Home Energy Assistance Program (LIHEAP) is a 100 percent federally-funded program that assists eligible households by providing funds to offset the burden of high energy costs. LIHEAP also provides funds in heating crisis situations, arranges and pays for emergency deliveries, expedites payments to avoid utility shut offs and provides furnace repairs through other agencies. The eligibility standard includes every household member's income and is subject to annual revision based on the availability of funds. Payments are made to energy suppliers on behalf of persons responsible for paying heating costs or directly to those households where home heating is included in the rent.

The Supplemental Security Income (SSI) program provides aged, blind and disabled persons with a monthly payment based on nationally uniform eligibility standards. Presently, the monthly federal benefit rate for individuals is \$733 and \$1,100 for couples. Pennsylvania contributes a supplemental grant of \$22.10 for an individual and \$33.30 for couples to SSI recipients. The department is responsible for directly issuing the state supplemental grants to most SSI recipients. A special monthly state supplement is paid to SSI-eligible persons in domiciliary care facilities and personal care homes. For SSI residents in personal care homes, the minimum personal care allowance is \$85 a month.

Cash Grants
(Average Yearly TANF Caseload)



Program: Income Maintenance (continued)

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, assists clients to enter the workforce and achieve economic independence. Pennsylvania's employment and training program emphasizes that the responsibility for self-sufficiency belongs to the client. The department offers programming to assist clients in obtaining employment with family sustaining wages and benefits that leads to self-sufficiency. The department's programs offer components such as: community service, job search assistance, paid work experience, job retention services, and case management to help individuals obtain and retain employment.

In order to meet the employment needs of Pennsylvania's diverse assistance population, the department operates the Employment, Advancement and Retention Network (EARN). 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 is a collaborative program between the department and certain higher education institutions designed to assist TANF recipients and, as funding permits, SNAP recipients in attending a higher education program. Work Ready provides services to help clients stabilize barriers that hinder them from achieving self-sufficiency.

Supportive services are also provided to facilitate an assistance client's transition to independence. The special allowances are used to support individuals as they pursue their education, job skills training or employment goals through an approved employment and training program. The department may approve a special allowance for items such as books, clothing, equipment and tools. Transportation allowances may be provided when required to allow a participant to accept and maintain education, employment or training.

Program Element: Child Support Enforcement

Child Support Enforcement program services are provided at the local level through cooperative agreements with the county Courts of Common Pleas and the county commissioners. The services include the establishment of paternity for a child born outside of marriage; the

determination, establishment and enforcement of a financial child support obligation paid by the noncustodial parent to meet the ongoing daily needs of the child; and the procurement of medical support, including health insurance and/or the reimbursement of the uninsured child's medical expenses.

Child support enforcement services are available to children from birth to age 18 or until the child graduates from high school or becomes emancipated. The court may require child support to be paid for an individual over the age of 18 if extraordinary needs – excluding college tuition – exist. A designated portion of child support paid on behalf of a child receiving TANF benefits is passed through to the custodial parent and any residual amount is assigned to the department to reimburse cash assistance benefits issued to the child's family.

Federal funding of the state's Child Support Enforcement program is based on its performance in establishing paternity and court orders for support, as well as collection of the ordered child support amounts. Pennsylvania's program exceeds federal standards: collection of current support and cases paying on arrears are both 83 percent – the highest percentage of any state in the nation. Pennsylvania is the first state in the nation to meet and exceed the five federal performance standards for establishment of paternity, establishment of court orders for child support, collection of current support, cases paying on arrears and administrative cost effectiveness. In addition, more than 90 percent of children receiving support currently have health insurance or other means of medical support.

Program Element: eHealth Partnership Program

This budget recommends transferring the functions of the eHealth Partnership Authority to the Department of Human Services in order to gain administrative efficiencies, realize savings and maximize federal funding. The program will continue to facilitate public and private sector electronic health information exchange, or eHIE, efforts to improve patient experience, population health and health care costs. Through its Public Health Gateway, the program enables communication among private and public agencies in areas such as immunization registry, lab results registry, cancer registry and communicable disease registry. The program seeks to advance eHIE across private sector health care organizations that otherwise could or would not coordinate efforts. It also establishes and administers certification programs for private sector organizations to ensure compliance with legal and policy decisions and to promote interoperability.

Program: Income Maintenance (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

County Administration - Statewide		County Assistance Offices	
\$ 2,927	—to continue current program.	\$ 11,964	—to continue current program.
1,291	—to provide for eHealth program activities transferred from eHealth Partnership Authority.		
6,578	—nonrecurring prior year federal funding.	\$ 1,011	Child Support Enforcement
832	—Initiative—Community HealthChoices Administration. To address administrative activities to implement Community HealthChoices.		—to continue current program.
		\$ 1,430	New Directions
			—to continue current program.
			Supplemental Grants - Aged, Blind, Disabled
\$ 11,628	<i>Appropriation Increase</i>	\$ -608	—impact of caseload changes.

The Cash Grants appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
County Administration - Statewide.....	\$ 33,367	\$ 41,204	\$ 52,832	\$ 53,360	\$ 53,894	\$ 54,433	\$ 54,977
County Assistance Offices.....	312,579	334,900	346,864	350,333	353,836	357,374	360,948
Child Support Enforcement	13,815	11,703	12,714	12,841	12,969	13,099	13,230
New Directions	22,497	23,809	25,239	25,491	25,746	26,004	26,264
Cash Grants	45,457	25,457	25,457	45,457	45,457	45,457	45,457
Supplemental Grants - Aged, Blind and Disabled	137,656	136,976	136,368	136,368	136,368	136,368	136,368
TOTAL GENERAL FUND	\$ 565,371	\$ 574,049	\$ 599,474	\$ 623,850	\$ 628,270	\$ 632,735	\$ 637,244

Program: Mental Health

Goal: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

The Office of Mental Health and Substance Abuse Services (OMHSAS) 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. OMHSAS seeks to ensure that there is a combined approach to the delivery and the financing of behavioral health services. OMHSAS 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. OMHSAS oversees the Medicaid HealthChoices Behavioral Health Managed Care program either through county contracts or by direct contract with a behavioral health managed care organization. OMHSAS manages the delivery of community mental health services administered by counties under the Pennsylvania Mental Health and Intellectual Disability (MH/ID) Act and the Mental Health Procedures Act. 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 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, support for families caring for members with mental disorders and community residential programs. Community services are targeted to adults with serious mental illness and children and adolescents with or at risk of serious emotional disturbance. Key provisions of service include recovery-oriented treatment, community care, and support services that enable individuals to live in the community and lead independent and productive lives. Non-residential services include family-based support, outpatient care, partial hospitalization, emergency and crisis intervention, peer to peer support and after care. Community residential services include housing support, residential treatment, inpatient care, crisis services and mobile therapy. Services are administered by single counties, county jointers, or through contracts with private, nonprofit organizations, or agencies. Services, with some exceptions, are funded with state, federal and/or county matching funds.

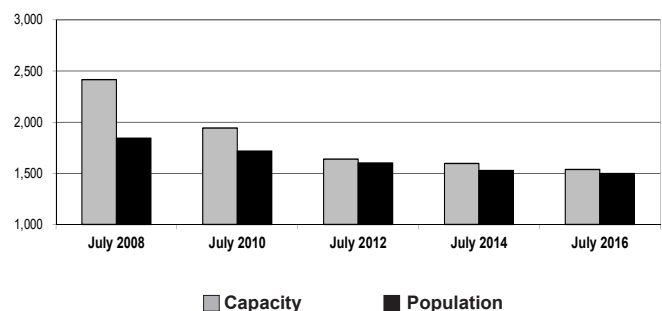
Program Element: Substance Abuse Services

OMHSAS 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. The total number of non-hospital detoxification and rehab clients are 28,510. OMHSAS is also focused on strategies to address the opioid crisis in the commonwealth, focusing on providing medication assisted treatment and distribution of Naloxone kits and appropriate wraparound services.

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 as well as a unit for the treatment of violent sexual predators, whose commitment in the Youth Development Center system terminates at age 21. 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 345 individuals (or 19 percent) since July of 2008, as more people receive mental health services in the community. During that same period, capacity at the state mental hospitals has declined by 879 beds (or 36 percent).

Program: Mental Health (continued)

Expenditures by Hospital, Restoration Center and Community Programs

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget		2014-15 Actual	2015-16 Available	2016-17 Budget
Allentown				Warren			
State Funds.....	\$ 2,022	\$ 2,390	\$ 2,190	State Funds.....	\$ 24,830	\$ 25,316	\$ 25,113
Federal Funds.....	0	0	0	Federal Funds.....	20,700	20,700	22,700
Augmentations.....	0	0	0	Augmentations.....	1,403	1,700	1,700
TOTAL.....	<u>\$ 2,022</u>	<u>\$ 2,390</u>	<u>\$ 2,190</u>	TOTAL.....	<u>\$ 46,933</u>	<u>\$ 47,716</u>	<u>\$ 49,513</u>
Clarks Summit				Wernersville			
State Funds.....	\$ 26,244	\$ 27,138	\$ 29,857	State Funds.....	\$ 35,357	\$ 37,177	\$ 40,967
Federal Funds.....	22,700	22,700	22,700	Federal Funds.....	28,378	28,004	27,400
Augmentations.....	1,290	1,590	1,090	Augmentations.....	1,528	1,778	1,278
TOTAL.....	<u>\$ 50,234</u>	<u>\$ 51,428</u>	<u>\$ 53,647</u>	TOTAL.....	<u>\$ 65,263</u>	<u>\$ 66,959</u>	<u>\$ 69,645</u>
Danville				Administrative Cost			
State Funds.....	\$ 21,217	\$ 23,734	\$ 24,509	State Funds.....	\$ 4,922	\$ 5,480	\$ 5,685
Federal Funds.....	22,200	22,200	22,700	Federal Funds.....	0	0	0
Augmentations.....	1,105	863	863	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 44,522</u>	<u>\$ 46,797</u>	<u>\$ 48,072</u>	TOTAL.....	<u>\$ 4,922</u>	<u>\$ 5,480</u>	<u>\$ 5,685</u>
Norristown				Community Programs			
State Funds.....	\$ 40,224	\$ 44,605	\$ 53,311	State Funds.....	\$ 519,977	\$ 560,712	\$ 589,455
Federal Funds.....	35,700	35,700	30,810	Federal Funds.....	61,054	56,480	54,107
Augmentations.....	747	1,010	1,010	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 76,671</u>	<u>\$ 81,315</u>	<u>\$ 85,131</u>	TOTAL.....	<u>\$ 581,031</u>	<u>\$ 617,192</u>	<u>\$ 643,562</u>
South Mountain State Restoration Center				Budgetary Reserve			
State Funds.....	\$ 12,546	\$ 15,160	\$ 18,095	State Funds.....	\$ 0	\$ 0	\$ 0
Federal Funds.....	14,400	14,400	12,500	Federal Funds.....	10,500	10,942	0
Augmentations.....	1,735	1,789	1,789	Augmentations.....	0	0	0
TOTAL.....	<u>\$ 28,681</u>	<u>\$ 31,349</u>	<u>\$ 32,384</u>	TOTAL.....	<u>\$ 10,500</u>	<u>\$ 10,942</u>	<u>\$ 0</u>
Torrance							
State Funds.....	\$ 44,245	\$ 48,951	\$ 57,595				
Federal Funds.....	34,200	34,232	30,500				
Augmentations.....	1,020	970	970				
TOTAL.....	<u>\$ 79,465</u>	<u>\$ 84,153</u>	<u>\$ 89,065</u>				

Program: Mental Health (continued)

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year

State Mental Hospitals	Population July 2014	Population July 2015	Projected Population July 2016	Projected Bed Capacity July 2016	Projected Percentage of Capacity July 2016
Clarks Summit.....	203	201	200	202	99.0%
Danville.....	168	165	162	164	98.8%
Norristown.....	252	256	250	258	96.9%
South Mountain.....	151	150	155	159	97.5%
Torrance.....	329	289	326	346	94.2%
Warren.....	168	153	150	152	98.7%
Wernersville.....	256	260	255	256	99.6%
TOTAL.....	1,527	1,474	1,498	1,537	97.5%

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Mental Health Services		Behavioral Health Services	
\$ 18,591	—to continue current program.	\$ 1,597	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. This amount reflects year two of additional restoration funds.
3,765	—to annualize previous program revisions providing expanded community services.		
5,500	—impact of reduced administrative case management revenue.		
4,032	—impact of decreased federal funds and other revenue.		
1,175	—to annualize the new Sexual Responsibility and Treatment Program unit at Torrance State Hospital.	17,540	—Initiative—Combating the Heroin Epidemic. To provide 11,250 individuals with substance use disorder treatment in a Health Home facility.
4,725	—Initiative—Community Opportunities. To provide home and community-based services for 90 individuals currently residing in state hospitals.		
18,326	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. This amount reflects year two of additional restoration funds.	\$ 19,137	<i>Appropriation Increase</i>
\$ 56,114	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Mental Health Services.....	\$ 731,584	\$ 790,663	\$ 846,777	\$ 897,508	\$ 931,209	\$ 966,258	\$ 1,002,710
Behavioral Health Services	43,117	47,214	66,351	67,948	67,948	67,948	67,948
TOTAL GENERAL FUND	\$ 774,701	\$ 837,877	\$ 913,128	\$ 965,456	\$ 999,157	\$ 1,034,206	\$ 1,070,658

Program: Intellectual Disabilities

Goal: To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.

The Department of Human Services supports a comprehensive array of services for people with intellectual disabilities and Autism Spectrum Disorder (ASD) including services to people living in their own home, with family members, in community residential facilities and in non-residential programs provided through the Medicaid home and community-based waiver programs and the base program. Services are also provided in state operated institutions and private intermediate care facilities for individuals with an intellectual disability (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 (MH/ID Act).

The program for people with intellectual disabilities and ASD 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 and enabling individuals to participate fully in community life continues to define services.

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 to enable people to live in the community in their own homes, apartments with or without a roommate, the homes of family members, life-sharing settings with family or others, or group homes. Non-residential services include: employment services, pre-vocational programs, adult training and home and community habilitation. Other services available include: transportation, environmental accessibility modifications,

adaptive appliances/equipment, specialized therapies and nursing, educational support and respite services for families. Through the use of a fiscal intermediary or agency with choice model, individuals and their families may directly control the delivery of services including the hiring of personnel. All services are individualized through the development of a person-centered plan.

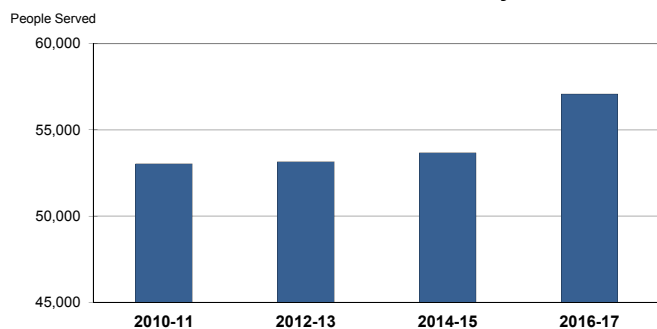
Program Element: Services for Individuals with Autism Spectrum Disorder

The department provides funding for a statewide program to support the needs of Pennsylvanians living with ASD. The department developed and administers two direct services programs for adults with ASD: 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 ASD of all ages through the Autism Services, Education, Research, and Training (ASERT) Collaborative, the development of crisis programs to support individuals in need of acute intervention, family support programs and training programs to increase provider capacity. The ASERT collaborative coordinates efforts statewide to improve regional access to quality services and interventions, provide information and support to families, train professionals in best practices and support the department's efforts to continually improve the quality of the adult ASD programs through the collection and analysis of data.

Program Element: Institutional Services

The department provides institutional care funding for people with an intellectual disability. 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 under standards established by the Centers for Medicare & Medicaid Services. Private ICF/IDs provide the same intensive habilitative services to persons with an intellectual disability. 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.

Intellectual Disabilities - Community Services



The number of individuals with intellectual disabilities receiving community services has increased over 4,000 since 2010-11.

Program: Intellectual Disabilities (continued)

State Centers Population for the Prior, Current and Upcoming Years

	Population July 2014	Population July 2015	Projected Population July 2016	Projected Bed Capacity July 2016	Projected Percentage Capacity July 2016
State Centers					
Ebensburg.....	246	238	212	249	85.1%
Hamburg.....	100	92	82	186	44.1%
Polk.....	257	245	218	521	41.8%
Selinsgrove.....	257	246	218	564	38.7%
White Haven.....	135	127	113	275	41.1%
TOTAL.....	995	948	843	1,795	47.0%

Expenditures by State Center

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget		2014-15 Actual	2015-16 Available	2016-17 Budget
Ebensburg				White Haven			
State funds.....	\$ 29,202	\$ 31,587	\$ 32,261	State funds.....	\$ 21,927	\$ 20,589	\$ 21,091
Federal funds.....	34,944	37,319	38,742	Federal funds.....	23,240	23,401	24,724
Augmentations.....	6,865	6,738	6,781	Augmentations.....	3,890	3,913	3,930
TOTAL.....	\$ 71,011	\$ 75,644	\$ 77,784	TOTAL.....	\$ 49,057	\$ 47,903	\$ 49,745
Hamburg				Non-Facility			
State funds.....	\$ 16,853	\$ 16,643	\$ 16,990	State funds.....	\$ 1,016	\$ 1,088	\$ 1,164
Federal funds.....	19,510	19,196	19,438	Federal funds.....	0	0	0
Augmentations.....	2,702	2,957	2,971	Augmentations.....	0	0	0
TOTAL.....	\$ 39,065	\$ 38,796	\$ 39,399	TOTAL.....	\$ 1,016	\$ 1,088	\$ 1,164
Polk				Budgetary Reserve			
State funds.....	\$ 31,208	\$ 33,146	\$ 33,856	State funds.....	\$ 0	\$ 0	\$ 0
Federal funds.....	37,773	39,276	41,317	Federal funds.....	15,013	14,123	5,000
Augmentations.....	7,421	7,075	7,130	Augmentations.....	0	0	0
TOTAL.....	\$ 76,402	\$ 79,497	\$ 82,303	TOTAL.....	\$ 15,013	\$ 14,123	\$ 5,000
Selinsgrove							
State funds.....	\$ 32,778	\$ 35,443	\$ 36,407				
Federal funds.....	39,634	41,996	44,798				
Augmentations.....	7,420	7,232	7,279				
TOTAL.....	\$ 79,832	\$ 84,671	\$ 88,484				

Program: Intellectual Disabilities (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Intellectual Disabilities - State Centers		Intellectual Disabilities - Community Waiver Program	
\$ 5,929	—to continue current program.	\$ 41,221	—increase in utilization and costs.
426	—revision of federal financial participation from 52.01% to 51.78%.	4,715	—to annualize previous program revisions providing enhanced community services.
-3,047	—reflects increased federal earnings.	1,703	—to reflect individuals transferring from the ICF/ID and Community Base programs.
-35	—Initiative—Community Opportunities. To provide home and community-based services for 75 individuals with intellectual disabilities currently residing in state centers.	10,544	—nonrecurring prior year federal Balancing Incentive Program initiative.
		3,773	—revision of federal financial participation from 52.01% to 51.78%.
\$ 3,273	<i>Appropriation Increase</i>	-3,026	—prior year settlements and appeals.
Intellectual Disabilities - Intermediate Care Facilities		955	—Initiative—Community Opportunities. To provide home and community-based services for 75 individuals with intellectual disabilities currently residing in state centers.
\$ 4,795	—to continue current program.	11,498	—Initiative—Expanded Services for Individuals with Disabilities. To provide home and community-based services for 250 individuals on the waiting list and 500 students graduating from special education.
415	—revision of federal financial participation from 52.01% to 51.78%.		
-723	—to reflect individuals transferring to the community program.		
-976	—to annualize prior individuals transferring to the community program.		
\$ 3,511	<i>Appropriation Increase</i>	\$ 71,383	<i>Appropriation Increase</i>
Intellectual Disabilities - Community Base Program		Autism Intervention and Services	
\$ 496	—to continue current program.	\$ 1,777	—to continue current program.
25	—revision of federal financial participation from 52.01% to 51.78%.	794	—to annualize previous program revisions providing enhanced services.
4,832	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. This amount reflects year two of additional restoration funds.	230	—nonrecurring prior year federal Balancing Incentive Program initiative.
		31	—revision of federal financial participation from 52.01% to 51.78%.
		-1,130	—funding reduction.
		775	—Initiative—Expanded Services for Individuals with Disabilities. To provide home and community-based services for 100 additional adults with autism spectrum disorders.
\$ 5,353	<i>Appropriation Increase</i>	\$ 2,477	<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)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Intellectual Disabilities - State Centers	\$ 132,984	\$ 138,496	\$ 141,769	\$ 147,440	\$ 153,338	\$ 159,472	\$ 165,851
Intellectual Disabilities - Intermediate Care Facilities	152,298	139,110	142,621	142,621	142,621	142,621	142,621
Intellectual Disabilities - Community Base Program	149,681	153,561	158,914	163,746	163,746	163,746	163,746
Intellectual Disabilities - Community Waiver Program	1,074,887	1,211,993	1,283,376	1,349,464	1,396,695	1,445,579	1,496,174
Autism Intervention and Services	19,169	21,501	23,978	27,109	28,193	29,321	30,494
Intellectual Disabilities - Lansdowne Residential Services	340	340	340	340	340	340	340
TOTAL GENERAL FUND	\$ 1,529,359	\$ 1,665,001	\$ 1,750,998	\$ 1,830,720	\$ 1,884,933	\$ 1,941,079	\$ 1,999,226

Program: Human Services

Goal: To enhance the social and economic well-being of families and individuals through the provision of an array of services and support programs.

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance that has affected their lives.

Program Element: Family Support Service

The Department of Human Services and county governments are jointly responsible for providing quality, effective services to children who are in need of care and protection. These services are state-supervised and county-administered. Each county is responsible for developing and implementing a program of services designed to treat and prevent child abuse, neglect and exploitation and to provide services that reduce dependency and delinquency. The county children and youth agencies provide 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 out-of-home placement. 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 and permanency network. This program includes services to children who are in out-of-home 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 who are adjudicated delinquent but remanded to private residential treatment programs.

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 adjudicate 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 help juveniles develop skills and attitudes that will enable them to become responsible, productive members of society. Included in the YDC/YFC system are specialized treatment services for sex offenders, those with drug and alcohol addiction, those with a mental health diagnosis and those with developmental disabilities.

Administrative Complex	Population July 2014	Population July 2015	Projected Population July 2016	Projected Capacity July 2016	Projected Percentage of Capacity July 2016
YFC-Hickory Run.....	28	24	23	49	46.9%
YFC-Trough Creek	34	28	34	50	68.0%
Cresson.....	28	24	0	0	N/A
Loysville.....	<u>209</u>	<u>215</u>	<u>231</u>	<u>271</u>	<u>85.2%</u>
Total Current Program	<u>299</u>	<u>291</u>	<u>288</u>	<u>370</u>	<u>77.8%</u>

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 hands on 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 men and women to address contraceptive or infertility issues. Services are provided through a contract with four regional councils who issue grants to approximately 250 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, women 35 years and older and women with a family history of breast cancer.

Program: Human Services (continued)

Program Element: Legal Services

The department provides low-income individuals assistance with family, consumer, employment and other civil legal problems through a contract with a statewide legal aid non-profit. The emphasis of the service delivery is to provide emergency legal services in situations that threaten the basic needs of individuals. These services do not include political activities or services in criminal matters.

Program Element: Domestic Violence and Rape Crisis

Domestic violence services are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. The services to victims of domestic violence include crisis intervention, counseling, victim advocacy, information and referral, and temporary shelter for victims and their dependent children. Prevention and education programs are provided by local groups to lessen the risk of domestic violence in the community.

Rape crisis services also are provided through a contract with a statewide coalition, which in turn subcontracts for services at the local level. Rape crisis programs provide crisis intervention services, counseling, victim advocacy, information and referral, and accompaniment through police, medical and judicial systems. Educational programs are provided to lessen the risk of sexual assault for adults and children in the community.

Program Element: Homeless Assistance

The Homeless Assistance program operates through counties to provide temporary shelter to homeless

individuals and rental assistance to those in immediate danger of becoming homeless. Shelter may be provided in large mass shelters or in hotels and motels through a voucher system.

Housing assistance can include a cash payment on behalf of an individual or family to prevent or end homelessness, or intervention to prevent homelessness where an eviction is imminent. In addition to preventing homelessness, housing assistance is available to move people out of temporary shelters into permanent housing.

Case management services are used to assure ongoing coordination with the client and to assist the client with activities needed for self-sufficient living.

Specialized residences for the mentally ill homeless are provided in a small number of counties with concentrations of these individuals. The program provides housing for an indefinite period of time, coupled with supportive services that will enable the client to move to a long-term semi-independent or independent living situation.

Program Element: Human Services Block Grant

A 30 county program was implemented to provide county governments with increased flexibility to address local needs. As part of this program, funding for the following six programs is combined at the local level into a flexible Human Services Block Grant: community mental health services, behavioral health services, intellectual disability community base services, county child welfare special grants, homeless assistance programs and Act 152 drug and alcohol services. Funding continues to be provided from the individual appropriations.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	3,885	—to continue current program.	\$	162	Breast Cancer Screening —Initiative—Human Services Enhancement. To expand programs and services.
	—2,840	—annualized savings from the closure of the Cresson Secure Treatment Unit.			
\$	1,045	<i>Appropriation Increase</i>	\$	499	Human Services Development Fund —Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. This amount reflects year two of additional restoration funds.
\$	25,592	—for county needs-based budgets as mandated by Act 30 of 1991.	\$	246	Legal Services —Initiative—Human Services Enhancement. To expand programs and services.
	6,387	—to continue current program.			
	166,352	—to offset reduction in available year funding as a result of a shift to a cash basis.			
	1,466	—Initiative—Human Services Funding Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. This amount reflects year two of additional restoration funds.			
\$	199,797	<i>Appropriation Increase</i>			

Program: Human Services (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 685 **Homeless Assistance**
 —Initiative—Human Services Funding
 Restoration. To restore funding to seven human services appropriations. Additional funds will be added over three years to offset the 2012-13 funding cuts when the human services block grant pilot program was implemented. This amount reflects year two of additional restoration funds.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Youth Development Institutions and Forestry Camps	\$ 63,299	\$ 65,732	\$ 66,777	\$ 69,448	\$ 72,226	\$ 75,115	\$ 78,120
County Child Welfare.....	1,081,521	949,726	1,149,523	1,150,989	1,150,989	1,150,989	1,150,989
Domestic Violence.....	15,319	16,851	16,851	16,851	16,851	16,851	16,851
Rape Crisis.....	8,763	9,639	9,639	9,639	9,639	9,639	9,639
Breast Cancer Screening	1,623	1,623	1,785	1,785	1,785	1,785	1,785
Human Services Development Fund.....	13,460	13,959	14,458	14,957	14,957	14,957	14,957
Legal Services.....	2,461	2,461	2,707	2,707	2,707	2,707	2,707
Homeless Assistance	18,496	20,181	20,866	21,551	21,551	21,551	21,551
TOTAL GENERAL FUND	\$ 1,204,942	\$ 1,080,172	\$ 1,282,606	\$ 1,287,927	\$ 1,290,705	\$ 1,293,594	\$ 1,296,599

Program: Child Development

Goal: To promote opportunities for all Pennsylvania children and families by building systems and providing supports that help ensure access to high-quality child and family services.

The Department of Human Services and the Department of Education promote opportunities for all children and families by helping to ensure access to high-quality early care, education and family services. The focus on effective prevention strategies and high-quality early childhood and school-aged child care programs will help Pennsylvania mitigate the social and educational disparities of young at-risk 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 programs extend from participating children to their families and communities.

Keystone STARS remains one of the largest, most comprehensive, quality rating improvement systems in the nation. Keystone STARS expands the reach of high-quality early child care and education in Pennsylvania for at-risk children. This initiative is designed to increase school readiness, future graduation rates of at-risk children,

decrease involvement in crime and its associated costs to society, and prepare children for successful, self-sufficient lives.

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 child care subsidy program uses both state and federal funds to supplement parental co-payments and assists families to be self-supporting and self-sufficient. Families can select subsidized child care from various facilities including child care centers, group child care homes, family child care homes and relatives or neighbors. Child care information service agencies determine eligibility for subsidized child care and offer families a choice of child care services and provide information and counseling on how to select high-quality early care and education and school-aged child care programs.

The Early Intervention program, for children from birth to age three, provides services and supports to qualified children with developmental delays and disabilities and their families to maximize the child's development. These services are provided to the child and family in the child's home, community center or early childhood education setting so that the child is well-prepared for school and life success.

The department also provides voluntary, evidence-based home visiting programs that help parents improve their parenting skills, resulting in healthier pregnancies and improved child health, learning, development and well-being. These services are provided through a combination of state funds and the federal Maternal Infant and Early Childhood Home Visiting grant program through the following four evidence-based models: Early Head Start, Healthy Families America, Nurse Family Partnership and Parents as Teachers.

Child Care Funding (Dollar Amounts in Thousands)

	2016-17
Low-Income Working Families	
State Funds ¹	\$ 167,691
Federal Funds	313,728
Total	\$ 481,419
TANF Recipients / Former TANF Recipients	
State Funds ²	\$ 152,609
Federal Funds	170,610
Other Funds	1,646
Total	\$ 324,865
Grand Total	\$ 806,284

¹ Child Care Services appropriation.

² Child Care Assistance appropriation.

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			
Early Intervention			
\$ 803	—to continue current program.		
\$ 317	—nonrecurring prior year federal Balancing Incentive Program initiative.	\$ 10,000	Family Centers and Home Visiting
\$ 117	—revision of federal financial participation from 52.01% to 51.78%.		—Initiative—Expand Evidence-Based Home Visiting. To support the enrollment of an additional 1,900 children and reduce the average number of days an eligible family must wait.
\$ 1,237	Appropriation Increase		

Program: Child Development (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

Child Care Services
 \$ 12,000 —Initiative—Child Care Works Wait List. To
 serve an additional 2,247 children from the
 low income waiting list.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

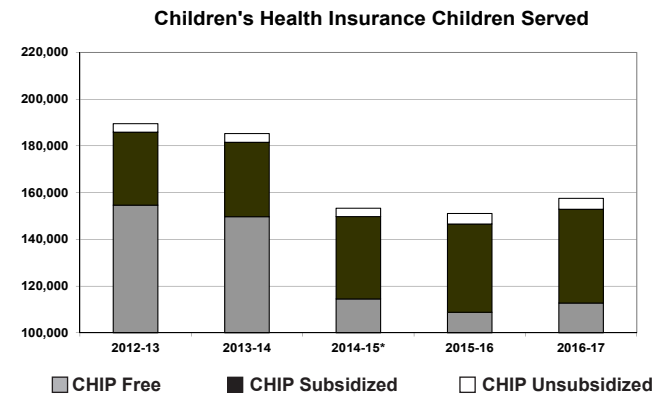
	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Early Intervention.....	\$ 127,974	\$ 127,974	\$ 129,211	\$ 129,211	\$ 129,211	\$ 129,211	\$ 129,211
Family Centers and Home Visiting	3,258	3,258	13,258	13,258	13,258	13,258	13,258
Child Care Services.....	155,691	155,691	167,691	167,691	167,691	167,691	167,691
Child Care Assistance	152,609	152,609	152,609	152,609	152,609	152,609	152,609
Nurse Family Partnership.....	11,978	11,978	11,978	11,978	11,978	11,978	11,978
TOTAL GENERAL FUND	\$ 451,510	\$ 451,510	\$ 474,747	\$ 474,747	\$ 474,747	\$ 474,747	\$ 474,747

Program: Children's Health Insurance Program (CHIP)

Goal: To support a health care delivery system that provides comprehensive health care services to children.

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, but who could not afford to purchase private insurance. Eligibility criteria include: under 19 years of age, resident of Pennsylvania, citizen of the United States, U.S. national or lawfully residing as determined by the U.S. Citizenship and Immigration Service. CHIP offers a comprehensive package of benefits including well child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services, hearing, vision and dental services. Act 136 of 2006 enhanced the program by creating Cover All Kids, which provides access to health insurance coverage for all uninsured children. The income eligibility limit for subsidized coverage, with cost-sharing on a sliding scale, is 314 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, federal matching funds under Title XXI of the Social Security Act and payments by participating working families. The federal Medicare Access and CHIP Reauthorization Act of 2015 extends federal funding for CHIP through September 30, 2017.

Pennsylvania Act 84 of 2015 reauthorized and extended the life of the CHIP program through December 31, 2017; or ninety days after federal funds for the program cease to be available. This act also transfers the program to the Department of Human Services.



Pennsylvania's Children's Health Insurance Program (CHIP) has been a national leader in ensuring that access to free or subsidized health care is available for children of low-income families. It is projected that an average of 157,500 uninsured children will be served by the program in 2016-17.

* Reflects transition of CHIP children to the Medical Assistance Program.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Children's Health Insurance Administration	
\$ -270	—reduction in administrative costs.
-740	—revision of the federal financial participation from 89.41% to 89.25%
\$ -1,010	Appropriation Decrease

Children's Health Insurance	
\$ 10,974	—to continue current program.
-18,777	—annualization of the enhanced federal financial participation.
841	—Initiative—Express Lane Eligibility. To support uninsured children who are eligible for the Children's Health Insurance Program (CHIP), but are not currently enrolled.
\$ -6,962	Appropriation Decrease

In addition, this budget recommends \$30,730,000 in restricted cigarette tax revenue for the Children's Health Insurance Program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Children's Health Insurance Administration	\$ 6,241	\$ 2,244	\$ 1,234	\$ 1,246	\$ 1,259	\$ 1,271	\$ 1,284
Children's Health Insurance Program.....	76,094	13,553	6,591	10,104	14,919	20,192	26,121
TOTAL GENERAL FUND	\$ 82,335	\$ 15,797	\$ 7,825	\$ 11,350	\$ 16,178	\$ 21,463	\$ 27,405

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Human Services Support							
Objective: Maintain services and supports that will improve the cost effectiveness of human services programs.							
Online applications submitted through COMPASS	864,554	847,260	859,970	868,570	876,390	883,400	890,465
Percent of all applications submitted on-line through COMPASS	30.40%	31.90%	32.40%	32.10%	33.20%	34%	33.80%
Average number of days to process an application-MA/NH/Waiver	19.70	19	18	17	16	15	14
Average number of days to process an application-TANF	12.50	12.30	12	12	11.50	11.50	11
Average number of days to process an application-SNAP	10.90	10.50	10	9.50	9	8.50	8
Number of current licensees inspected within the past 365 days	2,774	2,620	3,015	3,005	2,995	2,985	2,980
Percent of current licensees inspected within the past 365 days	91%	87%	100%	100%	100%	100%	100%
Percentage of applications for new licenses issued or denied within 90 days of application receipt	N/A	77%	100%	100%	100%	100%	100%

Program: Medical Assistance

Objective: Maintain services and supports to eligible Pennsylvanians while helping them to improve their health and well-being.

Persons participating in Medical Assistance (monthly average)	2,354,542	2,705,150	2,822,180	2,892,735	2,965,050	3,039,180	3,115,160
Affordable Care Act - Newly eligible children formerly eligible for CHIP	35,051	35,925	36,825	37,745	38,690	39,655	40,650
Medicaid Expansion - Newly eligible adults	486,725	623,330	642,330	658,390	674,850	691,720	709,010
Medical Assistance recipients served (monthly average): Average managed care enrollment - physical health	1,643,200	1,982,945	2,187,145	2,241,820	2,297,865	2,355,315	2,414,200
Medical Assistance recipients served (monthly average): Average HealthChoices behavioral health enrollment	1,877,079	2,321,865	2,497,745	2,560,185	2,624,190	2,689,795	2,757,040

Capitation

Capitation - Admissions per 1,000 Enrollees: General Hospital	103	100	100	100	100	100	95
Percentage of children from birth to 15 months visiting a physician 6 or more times in the past year	65.20%	65.50%	66%	66.50%	67%	67.50%	68%
Percentage of children age 12 to 24 months visiting a doctor or nurse in the past year	97%	97.50%	98%	98.50%	99%	99.50%	100%
Percentage of children 25 months to 6 years visiting a doctor or nurse in the past year	88.60%	89%	89.50%	90%	90.50%	91%	91.50%

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Percentage of pregnant women who received over 80% of the recommended prenatal visits	64.40%	65%	65.50%	66%	66.50%	67%	67.50%
Percent of those 2-20 years of age who had at least one dental visit during the measurement year	58.20%	58.50%	59%	59.50%	60%	60.50%	61%
Percent of those 18-75 years of age with diabetes (type 1 and type 2) who had Hemoglobin A1c poor control (>9%). Note - a lower rate equals better performance	38.10%	37.50%	37%	36.50%	36%	35.50%	35%
Percent of those aged 1-17 on 2 or more antipsychotic medications for more than 90 days	2.70%	2%	1.50%	1%	1%	1%	1%
Transportation Program							
One-way trips (in thousands)	9,233	9,150	9,380	9,380	9,380	9,380	9,380
Cost per trip	\$12.37	\$13	\$14	\$14	\$14	\$14	\$14
Medical Care for Workers with Disabilities							
Recipients enrolled in program (monthly average)	37,067	30,995	30,660	30,660	30,660	30,660	30,660

Program: Long Term Living

Objective: Maintain supports and services for older Pennsylvanians and persons with physical disabilities and increase the number of these persons that live in their communities, instead of institutions, through the effective delivery of needed community-based supports.

Long-Term Care

Recipients under age 60 receiving institutional care (monthly average)	4,383	4,500	4,545	4,590	4,635	4,680	4,725
Recipients over age 60 receiving institutional care (monthly average)	43,754	45,210	45,665	46,120	46,580	47,050	47,520
Percentage of long term care recipients receiving institutional care (monthly average)	48%	46%	44%	42%	41%	39%	38%
Average monthly cost of nursing home care	\$5,429	\$5,430	\$5,485	\$5,485	\$5,485	\$5,485	\$5,485
Recipients over age 60 receiving home and community-based waiver services (monthly average)	26,357	28,805	31,300	33,990	36,680	39,365	42,055
Average monthly cost of home and community-based waiver services (age 60 age over)	\$2,325	\$2,410	\$2,515	\$2,515	\$2,515	\$2,515	\$2,515
Percentage of long term care recipients receiving services in the community (monthly average)	52%	54%	56%	57%	59%	61%	62%
Recipients receiving services through the LIFE program (monthly average)	4,698	5,300	5,905	6,505	7,105	7,705	8,305

Other Long-Term Living Services

Number of recipients under age 60 receiving attendant care services (waiver and Act 150) (monthly average)	8,951	9,955	10,645	11,335	12,025	12,715	13,405
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Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Persons with developmental disabilities served in home and community based long term care waiver and Act 150 services	12,073	13,645	15,185	16,625	18,065	19,505	20,945
Number of persons transitioned to community living through Nursing Home Transition Program	1,427	1,430	1,505	1,585	1,665	1,745	1,825

Program: Income Maintenance

Objective: Maintain services and supports to eligible Pennsylvanians while helping them to increase their self-sufficiency and well-being.

Persons receiving cash assistance (monthly average)	160,490	148,815	147,265	147,265	147,265	147,265	147,265
Persons receiving state supplemental grants (monthly average)	380,355	377,285	381,615	383,000	385,000	387,000	389,000
Households receiving energy cash payments	390,097	378,080	378,080	378,080	378,080	378,080	378,080
Households receiving energy crisis payments	140,670	122,355	122,355	122,355	122,355	122,355	122,355
TANF recipients enrolled in employment and training program (monthly average)	17,291	16,325	16,325	16,325	16,325	16,325	16,325
TANF recipients obtaining employment	54,259	60,000	60,000	60,000	60,000	60,000	60,000
Child support orders established	359,755	359,620	360,000	360,000	360,000	360,000	360,000
Child support collected (in millions)	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295

Program: Mental Health

Objective: Maintain services and supports for persons with mental illness to live, work and contribute to their communities with increased health and independence.

Community Mental Health Services

Persons receiving mental health inpatient and outpatient services from non-Medical Assistance funding (unduplicated)	203,090	204,090	205,000	205,000	205,000	205,000	205,000
Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	502,064	507,085	508,350	509,620	510,895	512,170	513,450
Percent of patients discharged from a psychiatric inpatient setting who have follow-up service 7 days from discharge (ages 21 - 64)	58%	70%	70.50%	71%	71.50%	72%	72.50%

Substance Abuse Services

Persons receiving services through Medical Assistance expenditures (fee-for-service and HealthChoices) (unduplicated)	145,800	147,260	147,625	147,995	148,365	148,735	149,105
Non-hospital detoxification and rehabilitation clients	87,957	90,595	93,310	96,110	98,995	101,965	105,020

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
State Mental Hospitals							
Total admissions to state mental hospitals	712	645	615	660	680	705	730
Percent of patients discharged from a substance abuse non-hospital setting who have follow-up services 7 days from discharge (ages 21 to 64)	69%	70%	70.50%	71%	71.50%	72%	72.50%
State Mental Hospitals							
Total persons served in state mental hospitals	2,209	2,205	2,110	2,105	2,100	2,095	2,090
Average Cost per person in state mental hospital population	\$179,937	\$179,940	\$179,940	\$188,935	\$198,380	\$208,300	\$218,715
Total discharges from State Mental Hospitals	706	705	725	750	770	795	820
State Mental Hospitals							
Percentage of adults readmitted to state mental hospitals within one year of last discharge	7%	9%	8.50%	8%	7.50%	7%	6.50%
Percentage of persons in state mental hospitals with stay longer than two years	55%	40%	40%	37%	34%	31%	29%

Program: Intellectual Disabilities

Objective: Maintain supports and services for individuals with developmental disabilities and their families, including persons with autism, to more fully participate in their communities by effectively providing needed home and community-based services and supports that will increase their independence and ensure their health and well-being.

Number of persons receiving Autism services	664	720	820	820	820	820	820
Number of persons receiving intellectual disability services	54,362	55,090	57,340	57,340	57,340	57,340	57,340
Persons receiving Intellectual Disability services during fiscal year: Home and community services	51,451	52,605	54,870	54,870	54,870	54,870	54,870
Unduplicated persons receiving Consolidated Waiver services during fiscal year: Home and community services	17,593	18,150	18,490	18,490	18,490	18,490	18,490
Unduplicated persons receiving person/family directed supports waiver services during fiscal year: Home and community services	13,040	13,640	14,140	14,140	14,140	14,140	14,140
Unduplicated persons receiving Base services during fiscal year: Home and Community Services	23,882	23,875	23,875	23,875	23,875	23,875	23,875
Number of individuals who reside in a private home (not in a provider-controlled setting)	39,772	39,780	39,780	39,780	39,780	39,780	39,780

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Persons receiving residential services (during fiscal year):							
Private intermediate care facilities for persons with intellectual disabilities	2,219	2,265	2,205	2,190	2,190	2,190	2,190
State centers	996	950	880	765	725	685	645
Number of people moving from Private ICFs/ID and State Centers into the community	53	150	13	0	0	0	0
Average cost of individuals served in the community:							
Consolidated waiver services	\$112,628	\$116,100	\$123,830	\$123,830	\$123,830	\$123,830	\$123,830
Person/family directed supports waiver services	\$18,849	\$18,800	\$18,975	\$18,975	\$18,975	\$18,975	\$18,975
Autism services	\$41,098	\$45,195	\$51,675	\$51,675	\$51,675	\$51,675	\$51,675

Program: Human Services

Objective: Maintain supports and services that will improve the health, well-being, development and safety of Pennsylvania's families.

Youth Development Centers

Youth served	769	750	750	750	750	750	750
Occupancy rates	73%	70%	70%	70%	70%	70%	70%
Youth in work experience	391	400	400	400	400	400	400

Family Support Services

Unduplicated annual number of children receiving child welfare services at home	181,371	195,160	195,160	195,160	195,160	195,160	195,160
Out of home placements in:							
Community residential programs	23,240	23,120	21,890	20,655	19,425	18,195	16,965
Group Homes: Community residential programs	3,096	3,050	2,850	2,650	2,450	2,250	2,050
Foster Care: Community residential programs	18,354	18,300	17,360	16,420	15,485	14,545	13,610
Other: Community residential programs	1,790	1,770	1,675	1,585	1,490	1,400	1,305
In-state institutional care programs (annual unduplicated recipients)	3,084	3,050	2,890	2,730	2,570	2,410	2,250
Children in out of state programs	205	175	170	165	160	155	150
Percentage of children reunited with parents or primary caregiver within twelve months of placement	67.30%	70%	70%	70%	70%	70%	70%
Percentage of children not returning to care within 12 months of discharge to parents or primary caregivers	77.20%	82%	85%	87%	90%	90%	90%
Finalized adoptions	1,850	1,955	1,955	1,955	1,955	1,955	1,955
Children reaching permanency outside of adoption	8,245	8,200	8,200	8,200	8,200	8,200	8,200
Investigations of reported child abuse	36,494	36,750	36,500	36,500	36,500	36,500	36,500

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Percentage of child abuse investigations substantiated	10.60%	14%	14%	14%	14%	14%	14%
Number of child abuse clearances processed	1,426,382	1,362,520	1,400,000	1,400,000	1,400,000	1,400,000	1,500,000
Homeless Assistance							
Persons receiving homeless services	75,914	81,775	81,775	81,775	81,775	81,775	81,775
Human Services							
Domestic violence victims served	44,627	45,000	45,000	45,000	45,000	45,000	45,000
Rape crisis/sexual assault persons served	26,830	31,690	32,000	32,000	32,000	32,000	32,000
Breast cancer screening clients	93,723	94,000	97,000	97,000	97,000	97,000	97,000
Legal service clients	17,800	17,500	17,700	17,700	17,700	17,700	17,700

Program: Child Development

Objective: Maintain supports and services that will improve the health, well-being, development and safety of all Pennsylvania's children.

Child Development

Children enrolled in Keystone STARS facilities	169,061	170,500	171,500	172,500	172,500	172,500	172,500
Children enrolled in Keystone STARS Level 3 and 4 facilities	59,352	60,000	60,100	60,200	63,270	79,175	94,050
Children in subsidized child care enrolled in Keystone STARS Level 3 and 4 facilities	30,534	31,000	33,000	36,500	41,545	51,990	61,750

Child Development

Number of Keystone STARS facilities	3,901	4,100	4,200	4,300	4,300	4,300	4,300
Number of Keystone STARS facilities (center and group) at level 3 or 4	1,148	1,400	1,585	1,755	2,000	2,500	3,000

Child Development

Percentage of child care centers participating in Keystone STARS	66%	70%	73%	76%	80%	86%	90%
Number of children participating in subsidized child care (unduplicated)	205,343	211,360	214,440	214,440	214,440	214,440	214,440

Children participating in subsidized child care (monthly average):

Welfare/TANF families	23,371	22,365	22,365	22,365	22,365	22,365	22,365
Former TANF families	30,553	30,560	30,560	30,560	30,560	30,560	30,560
Low-income working families	64,006	67,605	69,905	69,905	69,905	69,905	69,905

Percentage of children participating in subsidized child care enrolled in a department regulated setting:

TANF families	90%	90%	90%	90%	90%	90%	90%
Former TANF families	85%	85%	85%	85%	85%	85%	85%
Low-income working families	90%	90%	90%	90%	90%	90%	90%

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Early Intervention							
Children participating in Early Intervention (EI) services	37,121	37,800	37,800	37,800	37,800	37,800	37,800
Children who met their individual goals and no longer needed EI services prior to their third birthday	6,443	6,650	6,850	7,050	7,250	7,450	7,650
Children who met their individual goals at their third birthday and no longer needed EI services	786	800	815	830	845	860	875
Percentage of EI children served in typical early childhood educational settings (e.g. home, child care, Head Start)	99%	99%	99%	99%	99%	99%	99%
Number of children served in evidence-based home visiting programs	5,311	5,345	7,245	7,745	8,245	8,745	8,745

Program: Children's Health Insurance Program**Objective: Enable eligible Pennsylvanians to secure access to quality, affordable health insurance coverage.**

Children's Health Insurance Program (CHIP) enrollment (monthly average)	153,312	151,060	157,535	166,460	177,960	190,445	204,025
Percentage of CHIP enrolled children two years of age who are immunized	78.71%	82.90%	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	82.35%	82.35%	82.35%	82.35%	82.35%	82.35%	82.35%



INFRASTRUCTURE INVESTMENT AUTHORITY

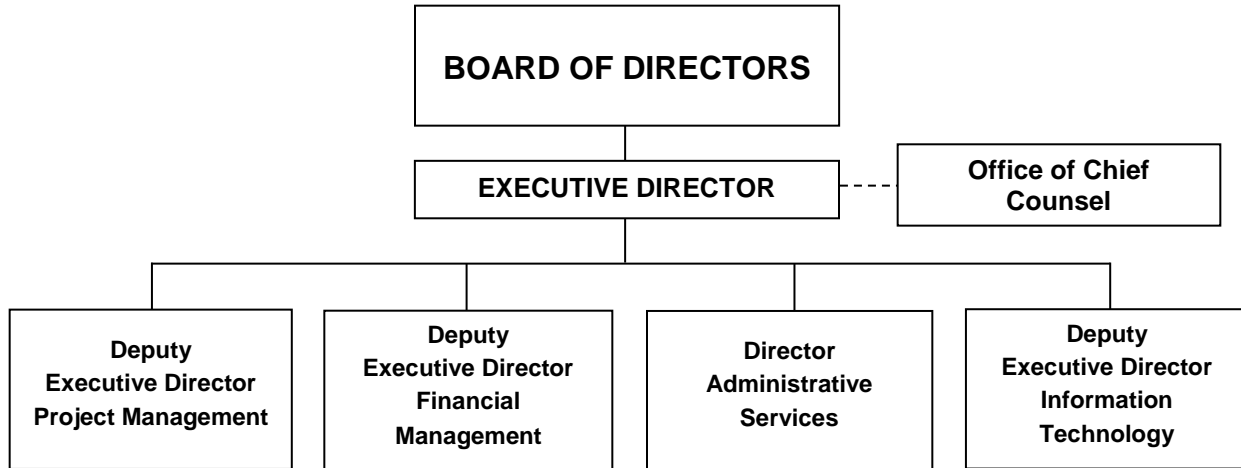
The mission of the Infrastructure Investment Authority is to serve the communities and citizens of Pennsylvania by funding sewer, storm water, drinking water and various other types of projects that solve water problems not associated with traditional infrastructure systems, such as brownfields, acid mine drainage and homeowner septic problems.

The authority administers the PENNVEST program authorized by Act 16 of 1988 that provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth.

Programs and Goals

PENNVEST: *To promote public health and a clean environment and to further economic development in the commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities, storm water control projects and various other non-traditional water-related projects.*

Organization Overview



- **Deputy Executive Director of Project Management** coordinates the efforts of the four PENNVEST regions in the identification, evaluation and recommendation of PENNVEST funding candidates and the nutrient credit program.
- **Deputy Executive Director of Financial Management** is responsible for the financial operations of the PENNVEST loan portfolio that includes the federal drinking water and clean water programs.
- **Director of Administrative Services** is responsible for a wide range of administrative, logistical and human resource issues that affect agency operations and personnel.
- **Deputy Executive Director of Information Technology** is responsible for day-to-day IT operations and staff, planning, project management and technology implementation.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
30	28	28	28	28

Infrastructure Investment Authority

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
(F)Sewage Projects Revolving Loan Fund.....	\$ 150,050	\$ 100,000	\$ 115,000
(F)Drinking Water Projects Revolving Loan Fund.....	63,282	70,535	63,591
Total - Grants and Subsidies.....	<u>\$ 213,332</u>	<u>\$ 170,535</u>	<u>\$ 178,591</u>
GENERAL FUND TOTAL.....	<u>\$ 213,332</u>	<u>\$ 170,535</u>	<u>\$ 178,591</u>
OTHER FUNDS:			
ENVIRONMENTAL STEWARDSHIP FUND:			
Storm Water, Water and Sewer Grants (EA).....	\$ 15,650	\$ 17,457	\$ 17,085
MARCELLUS LEGACY FUND:			
Water and Sewer Projects (EA).....	\$ 10,275	\$ 11,000	\$ 8,389
PENNVEST FUND:			
PENNVEST Operations (EA).....	\$ 4,561	\$ 3,410	\$ 3,425
Revenue Bond Loan Pool (EA).....	10	10	10
Grants - Other Revenue Sources (EA).....	1,000	2,000	500
Revolving Loans and Administration (EA).....	43,766	120,000 ^a	110,000 ^a
Growing Greener Grants.....	7,899	15,000	15,000
Revolving Loans - Conditional Funds.....	847	10,000	10,000
Marcellus Grants (Marcellus Legacy Fund).....	0 ^b	0 ^b	0 ^b
PENNVEST FUND TOTAL.....	<u>\$ 58,083</u>	<u>\$ 150,420</u>	<u>\$ 138,935</u>
PENNVEST DRINKING WATER REVOLVING FUND:			
Additional Drinking Water Projects Revolving Loans (EA).....	\$ 75,000	\$ 80,000	\$ 115,000
Transfer to PENNVEST Water Pollution Control Revolving Fund.....	20,000	20,000	20,000
(F)Drinking Water Projects Revolving Loan Fund (EA).....	0 ^c	0 ^c	0 ^c
(F)Loan Program Administration (EA).....	0 ^d	0 ^d	0 ^d
(F)Technical Assistance to Small Systems (EA).....	0 ^e	0 ^e	0 ^e
(F)Assistance to State Programs (EA).....	0 ^f	0 ^f	0 ^f
(F)Local Assistance and Source Water Pollution (EA).....	0 ^g	0 ^g	0 ^g
Revolving Loans - Conditional Funds.....	0	1,000	1,000
PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....	<u>\$ 95,000</u>	<u>\$ 101,000</u>	<u>\$ 136,000</u>
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
Additional Sewage Projects Revolving Loans (EA).....	\$ 200,000	\$ 200,000	\$ 250,000
Transfer to Drinking Water Revolving Fund (EA).....	20,000	20,000	20,000
(F)Sewage Projects Revolving Loan Fund (EA).....	0 ^h	0 ^h	0 ^h
Revolving Loans - Conditional Funds.....	0	12,000	10,000
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....	<u>\$ 220,000</u>	<u>\$ 232,000</u>	<u>\$ 280,000</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	213,332	170,535	178,591
OTHER FUNDS.....	399,008	511,877	580,409
TOTAL ALL FUNDS.....	<u>\$ 612,340</u>	<u>\$ 682,412</u>	<u>\$ 759,000</u>

^a Includes \$120,000,000 in 2015-16 Available and \$110,000,000 in 2016-17 Budget for Water Pollution Control Projects.

^b Project funding included in the Marcellus Legacy Fund – Water and Sewer Projects appropriation.

^c Not added to the total to avoid double counting: 2014-15 Actual is \$50,000,000, 2015-16 Available is \$57,000,000 and 2016-17 Budget is \$50,000,000.

Summary by Fund and Appropriation

^d Not added to the total to avoid double counting: 2014-15 Actual is \$1,782,000, 2015-16 Available is \$2,035,000 and 2016-17 Budget is \$2,091,000.

^e Not added to the total to avoid double counting: 2014-15 Actual is \$1,000,000, 2015-16 Available is \$1,000,000 and 2016-17 Budget is \$1,000,000.

^f Not added to the total to avoid double counting: 2014-15 Actual is \$4,500,000, 2015-16 Available is \$4,500,000 and 2016-17 Budget is \$4,500,000.

^g Not added to the total to avoid double counting: 2014-15 Actual is \$6,000,000, 2015-16 Available is \$6,000,000 and 2016-17 Budget is \$6,000,000.

^h Not added to the total to avoid double counting: 2014-15 Actual is \$150,050,000, 2015-16 Available is \$100,000,000 and 2016-17 Budget is \$115,000,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PENNVEST							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	213,332	170,535	178,591	178,591	178,591	178,591	178,591
OTHER FUNDS.....	399,008	511,877	580,409	580,739	580,774	580,809	580,844
SUBCATEGORY TOTAL.....	<u>\$ 612,340</u>	<u>\$ 682,412</u>	<u>\$ 759,000</u>	<u>\$ 759,330</u>	<u>\$ 759,365</u>	<u>\$ 759,400</u>	<u>\$ 759,435</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	213,332	170,535	178,591	178,591	178,591	178,591	178,591
OTHER FUNDS.....	399,008	511,877	580,409	580,739	580,774	580,809	580,844
DEPARTMENT TOTAL.....	<u><u>\$ 612,340</u></u>	<u><u>\$ 682,412</u></u>	<u><u>\$ 759,000</u></u>	<u><u>\$ 759,330</u></u>	<u><u>\$ 759,365</u></u>	<u><u>\$ 759,400</u></u>	<u><u>\$ 759,435</u></u>

Program: PENNVEST

Goal: To promote public health and a clean environment and to further economic development in the commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities, storm water control projects and various other non-traditional water-related projects.

The Pennsylvania Infrastructure Investment Authority (PENNVEST) program authorized by Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. Act 5 of 1992 established a program to fund storm water control projects. Funding these needed improvements has often proved difficult, especially for small communities. In 2004, the program was expanded to include the funding of brownfield reclamation and remediation projects to revitalize further Pennsylvania's older, established communities. In 2013, legislation was enacted that improves PENNVEST's ability, consistent with the state's Nonpoint Source Management Plan, to implement agricultural and other rural projects designed to control runoff of nutrients and other contaminants into streams in rural areas.

Initial funding for the PENNVEST Fund came from several sources: a \$300 million bond issue approved by voter referendum; the balance of approved Water Facilities Loan Fund bonds; federal seed money for a sewage treatment facilities revolving loan fund and a drinking water project revolving loan fund; and some available Capital Facilities bonds. Act 5 of 1992 authorized a \$350 million bond issue, which was approved by referendum, to provide additional funding for the program. In 1990-91, the PENNVEST Revenue Bond Pool program began providing funding. Act 68 of 1999 provided additional grant funds for storm water, water and sewer projects as part of the Growing Greener initiatives. Act 218 of 2004 established the Water Supply and Wastewater Treatment Fund and authorized an additional \$50 million in funding that the authority used as grants for combined sewer overflow, sanitary sewer overflow and nutrient reduction technology projects. Act 64 of 2008 authorized a \$400 million bond issue, which was approved by referendum, to provide grants and loans to municipalities and public utilities for the acquisition, repair, construction, reconstruction, rehabilitation, extension, expansion and improvement of water supply and sewage treatment systems as well

as the purchase or trading of nutrient credits. Added to this are interest earnings on the fund's cash flow, interest and principal payments made on loans and grant funds received through the Environmental Stewardship Fund, which is primarily funded from tipping fee revenue.

Act 13 of 2012 authorized distributions of the proceeds received from the Marcellus Legacy Fund to the Environmental Stewardship Fund, thus increasing the amount that PENNVEST receives from the Environmental Stewardship Fund. The act further distributes a percentage of the Marcellus Legacy funds to PENNVEST for water and sewer projects. Act 147 of 2012 distributes a percentage of the payments to the Department of General Services from leases on state-owned land to PENNVEST for projects.

PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to improve water, sewage and storm water systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. PENNVEST, supported by the Department of Environmental Protection, helps system owners apply for funding, provides technical assistance in planning and designing projects and, if necessary, reviews applicants' operations to improve efficiency.

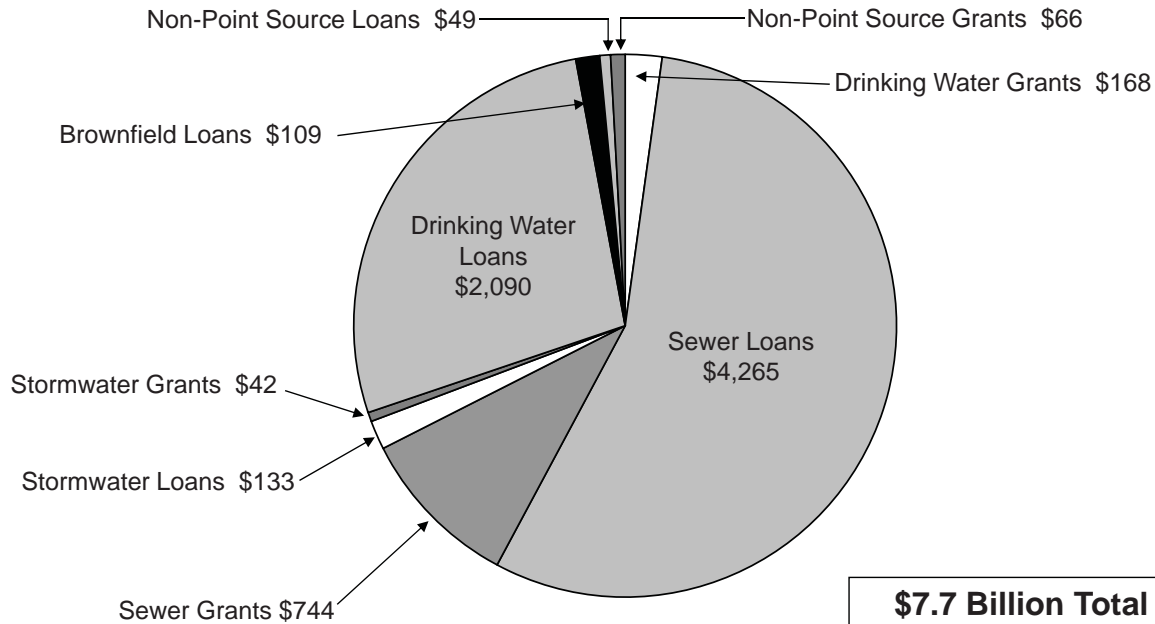
To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income and loan repayments. Loans, grants and administrative costs are paid from this fund. The PENNVEST Water Pollution Control Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for sewage treatment facilities construction. The PENNVEST Drinking Water Revolving Fund combines federal seed money and the commonwealth's required matching funds to create a revolving loan fund for drinking water projects and technical assistance. The PENNVEST Revolving Fund receives the proceeds from the sale of bonds mentioned above. The PENNVEST revenue bond pool is supported by loan interest and principal repayments from loans and disburses the proceeds from the sale of PENNVEST revenue bonds. The Water and Sewer Systems Assistance Bond Fund serves as the repository of interest and investment income and loan repayments related to Act 64; loans and grants are paid from this fund.

Infrastructure Investment Authority

Program: PENNVEST (continued)

Total Loans and Grants Approved

1988 through June 2015
(millions of dollars)



Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

PENNVEST FUND
PENNVEST Operations (EA)
\$ 15 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PENNVEST FUND:							
PENNVEST Operations (EA)	\$ 4,561	\$ 3,410	\$ 3,425	\$ 3,459	\$ 3,494	\$ 3,529	\$ 3,564

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: PENNVEST

Objective: Increase the proportion of PENNVEST subsidies allocated to projects that would not occur in the absence of the subsidies.

Grant equivalent subsidy per household served	\$27	\$35	\$35	\$35	\$35	\$35	\$35
Percentage of total project funding allocated to projects that would otherwise have higher financing rates	31%	30%	30%	30%	30%	30%	30%

Objective: Increase the number of sustainable jobs in Pennsylvania.

Sustainable jobs created by PENNVEST - funded projects	191	500	550	550	600	600	600
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Objective: Increase the number of drinking water and wastewater facilities that comply with safe drinking water requirements, improve system treatment capacity and improve water quality.

Drinking water projects approved that will maintain or bring customers' water into compliance with commonwealth drinking water standards	16	20	20	22	22	25	25
Dollars disbursed to drinking water projects that will maintain or bring customers' water into compliance with commonwealth drinking water standards	\$72,222,149	\$50,000,000	\$50,000,000	\$55,000,000	\$55,000,000	\$60,000,000	\$60,000,000



INSURANCE DEPARTMENT

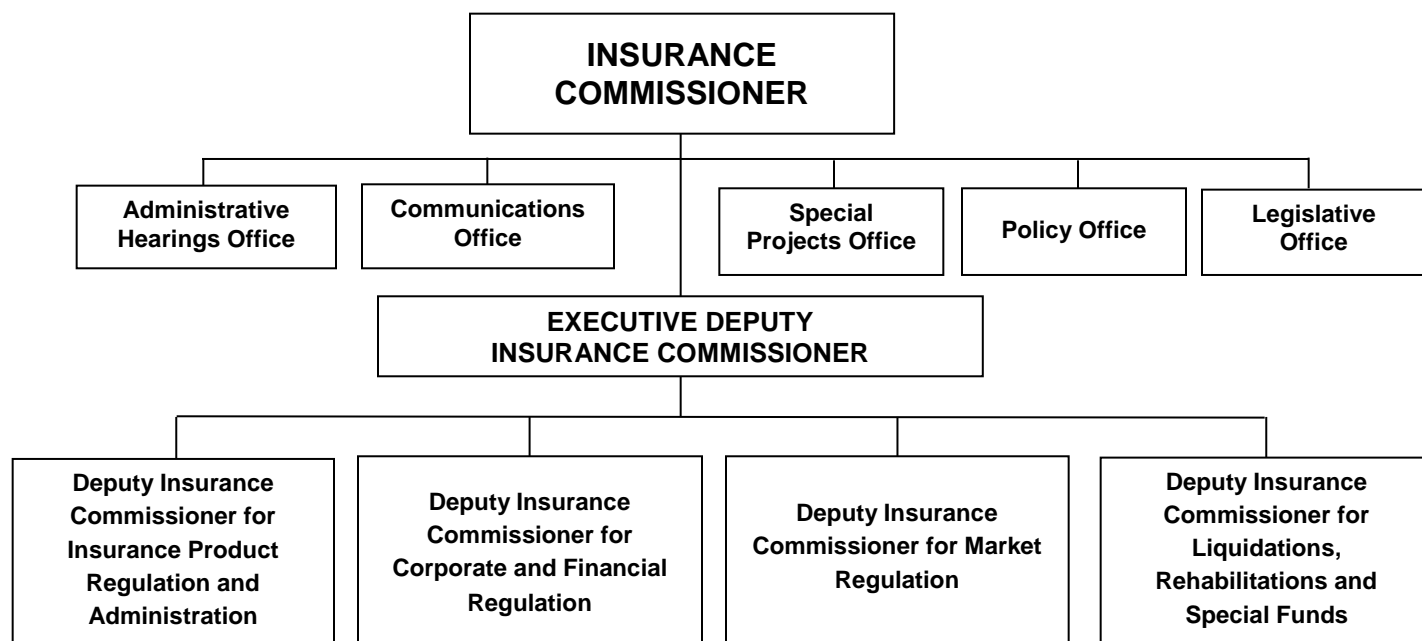
The mission of the Insurance Department is to provide a premier regulatory environment that promotes a competitive marketplace and serves the best interest of Pennsylvania consumers.

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.

Programs and Goals

Insurance Industry Regulation: *To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.*

Organization Overview



- **Deputy Insurance Commissioner for Insurance Product Regulation and Administration** is responsible for reviewing and regulating insurance rates charged and policy forms sold in Pennsylvania for accident and health, life, and property and casualty insurance. The office is also responsible for budget preparation, fiscal management; revenue and accounts receivable reconciliation; human resources and area Equal Employment administration; procurement and contract management; and office services support. The director oversees the department's General Fund appropriations.
- **Deputy Insurance Commissioner for Corporate and Financial Regulation** is charged with overseeing that all insurance entities doing business in the commonwealth are properly licensed and maintain financial strength and stability.
- **Deputy Insurance Commissioner for Market Regulation** is responsible for researching and resolving consumer complaints; for testing and licensing over 133,000 insurance agents, brokers, public adjusters, solicitors, surplus lines agents, motor vehicle physical damage appraisers and professional bondsman in the commonwealth; and investigates alleged violations and enforces statutes and regulations pertaining to insurance agents, brokers, companies and other related persons.
- **Deputy Insurance Commissioner for Liquidations, Rehabilitations and Special Funds** plans, coordinates and directs a program to rehabilitate or liquidate financially troubled insurance companies. The office also oversees the Medical Care Availability and Reduction of Error program, the Underground Storage Tank Indemnification Fund, the Catastrophic Loss Benefits Continuation Fund, the Workers' Compensation Security Fund.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
317	309	289	273	272

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(F)High Risk Pool Administration.....	\$ 100	\$ 0	\$ 0
(F)Consumer Assistance Program.....	1,098	250	0
(F)PA Exchange Grant.....	1,900	262	0
Subtotal.....	\$ 3,098	\$ 512	\$ 0
Total - General Government.....	\$ 3,098	\$ 512	\$ 0
<i>Grants and Subsidies:</i>			
USTIF Loan Repayment.....	\$ 0	\$ 0	\$ 7,000
(F)High Risk Pool.....	3,000	0	0
(F)Health Insurance Premium Review.....	1,437	4,066	1,400
Subtotal - State Funds.....	\$ 0	\$ 0	\$ 7,000
Subtotal - Federal Funds.....	4,437	4,066	1,400
Total - Grants and Subsidies.....	\$ 4,437	\$ 4,066	\$ 8,400
STATE FUNDS.....	\$ 0	\$ 0	\$ 7,000
FEDERAL FUNDS.....	7,535	4,578	1,400
GENERAL FUND TOTAL.....	\$ 7,535	\$ 4,578	\$ 8,400
OTHER FUNDS:			
GENERAL FUND:			
Anti-Fraud Prevention (R).....	\$ 132	\$ 68	\$ 0
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
CAT Administration (EA).....	\$ 776	\$ 776	\$ 776
CAT Claims (EA).....	5,500	5,500	6,050
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....	\$ 6,276	\$ 6,276	\$ 6,826
INSURANCE REGULATION AND OVERSIGHT FUND:			
General Government Operations.....	\$ 22,328	\$ 24,460	\$ 24,850
Transfer To General Fund.....	0	13,000	0
INSURANCE REGULATION AND OVERSIGHT FUND TOTAL.....	\$ 22,328	\$ 37,460	\$ 24,850
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND:			
General Operations (EA).....	\$ 14,600	\$ 16,986	\$ 16,833
Payment of Claims (EA).....	195,742	180,020	180,020
Assessment Relief Payment (EA).....	0	139,013	0
MEDICAL CARE AVAILABILITY AND REDUCTION OF ERROR FUND TOTAL.....	\$ 210,342	\$ 336,019	\$ 196,853
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA).....	\$ 11,647	\$ 12,971	\$ 11,851
Claims (EA).....	50,000	50,000	45,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 61,647	\$ 62,971	\$ 56,851
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 7,000
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	7,535	4,578	1,400
OTHER FUNDS.....	300,725	442,794	285,380
TOTAL ALL FUNDS.....	\$ 308,260	\$ 447,372	\$ 293,780

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	7,535	4,578	1,400	0	0	0	0
OTHER FUNDS.....	300,725	442,794	285,380	285,924	286,473	287,028	287,587
SUBCATEGORY TOTAL.....	<u>\$ 308,260</u>	<u>\$ 447,372</u>	<u>\$ 293,780</u>	<u>\$ 292,924</u>	<u>\$ 293,473</u>	<u>\$ 294,028</u>	<u>\$ 294,587</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	7,535	4,578	1,400	0	0	0	0
OTHER FUNDS.....	300,725	442,794	285,380	285,924	286,473	287,028	287,587
DEPARTMENT TOTAL.....	<u><u>\$ 308,260</u></u>	<u><u>\$ 447,372</u></u>	<u><u>\$ 293,780</u></u>	<u><u>\$ 292,924</u></u>	<u><u>\$ 293,473</u></u>	<u><u>\$ 294,028</u></u>	<u><u>\$ 294,587</u></u>

Program: Insurance Industry Regulation

Goal: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.

The Insurance Department's core mission is the regulation of the insurance industry and the protection of insurance consumers. To meet its mission, the department:

- provides adequate safeguards related to the solicitation and sale of insurance products and services;
- closely monitors the financial stability of insurance companies to minimize insurance insolvencies;
- ensures that insurance products contain the required benefits and are rated appropriately; and
- provides a fair regulatory environment that will encourage insurance companies to conduct business in the commonwealth.

In conjunction with its core mission, the department also shares responsibility to implement aspects of the federal Affordable Care Act and administers special funds, including the Medical Care Availability and Reduction of Error Fund, the Catastrophic Loss Benefits Continuation Fund, and the Underground Storage Tank Indemnification Fund. Act 84 of 2015, transfers the Children's Health Insurance program to the Department of Human Services in 2015-16.

The Insurance Department is responsible for regulating the fifth largest insurance market in the country and the 14th largest in the world. The department is the lead regulator for many significant national and regional insurers, as well as some of the largest international insurance conglomerates, and operates in an increasingly complex, global and inter-connected regulatory landscape. Following the failure of AIG and the passage of the Dodd-Frank Act, insurance regulators have adapted just as the industry itself evolved in this new regulatory environment. As each state has its own insurance needs and unique marketplace, the department works to enhance the state-based regulation of insurance while staying abreast of the national and global marketplaces.

Program Element: Regulation and Protection

The Insurance Regulation and Oversight Fund was designated for the administration of the Insurance Department in order to provide for the regulation, management, development and oversight of the commonwealth's insurance industry. The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. The department prioritizes solvency regulation in response to concerns of the quality of state regulation and insurer solvency. Resources continue to be focused on improving the effectiveness of regulatory actions taken to correct

problems before they lead to insolvency. In the event of an insurer insolvency, the insurance commissioner serves as statutory liquidator/receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court.

The department oversees the operation of approximately 1,700 insurance companies and 250,000 insurance producers, bail bondsmen, public adjusters and physical damage appraisers; authorizes the admission of new insurers to the state; tests and licenses insurance producers and bail bondsmen; registers navigators and exchange assisters; handles more than 60,000 consumer complaints and inquiries annually; and reviews and approves approximately 12,000 rate and policy form filings each year. The department analyzes annual and quarterly financial statements and other corporate transactions filed by regulated entities; conducts on-site financial examinations of domestic insurance companies annually; conducts adjudicatory hearings; and handles more than 250,000 consumer and producer interventions and inquiries annually.

The Insurance Department provides the public with insurance information, education and complaint resolution services. The department also analyzes annual market conduct statements and data; conducts investigations of insurance law violations by producers, bail bondsmen, public adjusters and physical damage appraisers; and undertakes on-site market conduct examinations of insurance company records, files and operations.

The Department has a significant role ensuring Pennsylvania's compliance with private insurance provisions of the Patient Protection and Affordable Care Act of 2010 (ACA). The Department monitors private insurance rates to protect consumers against unreasonable rate increases, and provides consumers information about public and private insurance options. It administers a grant provided by the ACA to the state to identify rate increases defined as excessive under federal law and improve its consumer information portal.

Pennsylvania currently participates in the Federally-Facilitated Marketplace (FFM) and works to ensure compliance with Marketplace requirements.

Medical Care Availability and Reduction of Error Fund. The Medical Care Availability and Reduction of Error Fund, established pursuant to Act 13 of 2002, established requirements for basic medical professional liability insurance coverage for health care providers. The MCARE program is responsible for payment of losses or damages awarded in medical professional liability actions against participating health care providers, in excess of basic insurance coverage. Revenue for the fund is derived by levying an annual assessment on health care providers.

Program: Insurance Industry Regulation (continued)

Catastrophic Loss Benefits Continuation Fund. The Catastrophic Loss Benefits Continuation Fund, funded through investment income, provides up to \$1 million in benefits to Pennsylvanians catastrophically injured in motor vehicle accidents between October 1, 1984 and December 31, 1989 after exceeding a threshold of \$100,000 in medical payments. Payments from the fund are projected until 2089.

Underground Storage Tank Indemnification Fund. The Underground Storage Tank Indemnification Fund provides reimbursement of remediation to eligible owners and operators of underground storage tanks. The program

is funded through a fee schedule based on the type of product stored in the underground storage tank or the tank's capacity. In addition to reimbursing eligible tank owners or operators for damages caused by releases from their tanks, the fund also provides similar benefits to tank installers under the Tank Installation Indemnification program. Additionally, the fund makes annual allocations to the Department of Environmental Protection under four separate categories. Since inception, allocations under all categories have totaled in excess of \$60 million.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

USTIF Loan Repayment
 \$ 7,000 —annual repayment of a transfer from the Underground Storage Tank Indemnification Fund.

This budget includes \$24,850,000 for General Government Operations in the Insurance Regulation and Oversight Fund.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
USTIF Loan Repayment.....	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Insurance Industry Regulation

Objective: Improve consumer education regarding insurance products and services, aiding in protecting consumers from financial loss by increasing the department's outreach efforts with a goal of reaching 89,052 of Pennsylvanians with targeted messaging in 2015, and increasing the number of direct consumer touches by 10% each year after 2015.

Number of consumer interactions	N/A	89,050	97,955	107,755	118,530	130,380	143,420
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Objective: Reduce Pennsylvania's uninsured population by 50 percent by 2020 through increased access, awareness and enrollment into healthcare coverage, including Children's Health Insurance Program (CHIP), Medicaid and plans offered on the health insurance exchange as measured by the United States Census Bureau's American Community Survey.

Percentage of uninsured population	8.50%	7.60%	6.50%	5.50%	4.25%	4.25%	4.25%
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Objective: Maintain a competitive insurance marketplace in Pennsylvania so consumers continue to enjoy the lowest premiums for mandatory insurance products (including auto, homeowners and health insurance) compared to averages of our peer states (including NJ, MD, NY), states in the northeast region, and nationally.

Pennsylvania's ranking compared to three peer states based on the yearly average for health insurance premiums	1	1	1	1	1	1	1
Pennsylvania's ranking compared to three peer states based on the yearly average for homeowners insurance premiums	1	1	1	1	1	1	1
Pennsylvania's ranking compared to three peer states based on the yearly average for auto insurance premiums	1	1	1	1	1	1	1

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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 Goals

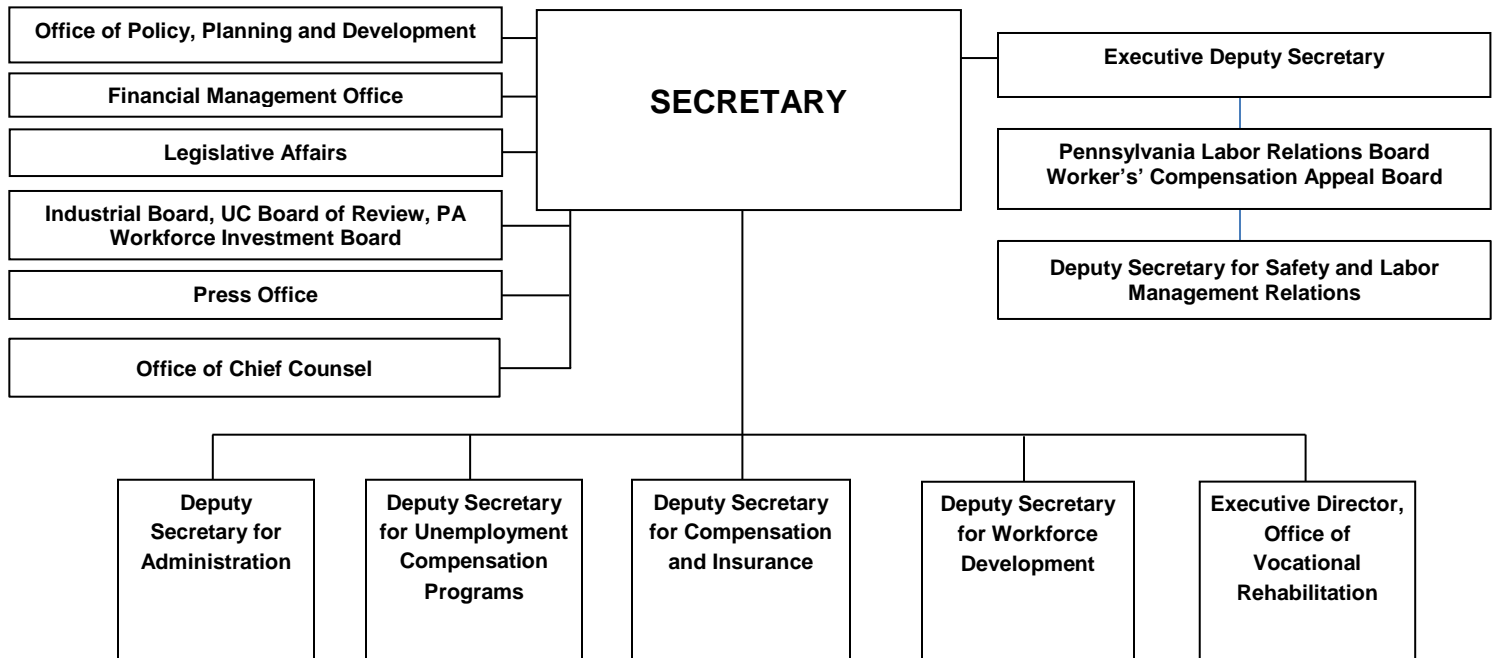
Community and Occupational Safety and Stability: *To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.*

Workers' Compensation and Assistance: *To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.*

Workforce Investment: *To provide meaningful job training and placement services in a coordinated role with other commonwealth agencies, the private sector and the federal government in order to secure unsubsidized employment for unemployed Pennsylvanians.*

Vocational Rehabilitation: *To enable eligible persons with disabilities to obtain competitive employment.*

Organization Overview



- **Deputy Secretary for Administration** is responsible for the department's Office of Information Technology, Bureau of Human Resources, Office of Equal Opportunity, Bureau of Administrative Services, and PENNSERVE.
- **Deputy Secretary for Unemployment Compensation Programs** is responsible for the offices of Unemployment Compensation Tax Services, Unemployment Compensation Benefits Policy and Unemployment Compensation Service Centers.
- **Deputy Secretary for Compensation and Insurance** oversees the State Workers' Insurance Fund, Bureau of Workers' Compensation and the Workers Compensation Office of Adjudication.
- **Deputy Secretary for Workforce Development** oversees the Center for Workforce Information and Analysis, Bureau of Workforce Partnership and Operations, and the Bureau of Workforce Development Administration, and the Apprenticeship and Training Office.
- **Executive Director, Office of Vocational Rehabilitation** oversees the Hiram G. Andrews Center, the Bureau of Central Operations, the Bureau of Vocational Rehabilitation Services, the Bureau of Blind and Visual Services, and the Office for the Deaf and Hard of Hearing.
- **Deputy Secretary for Safety and Labor-Management Relations** provides leadership and direction for the Bureau of Mediation, Bureau of Labor Law Compliance, Bureau of Occupational and Industrial Safety, and the Bureau of Disability Determination.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
5,764	5,948	5,916	5,898	5,902

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2014-15
ACTUAL

2015-16
AVAILABLE

2016-17
BUDGET

GENERAL FUND:

General Government:

General Government Operations.....	\$ 12,547	\$ 13,290^a	\$ 14,386
(F)Workforce Innovation and Opportunity Act - Administration.....	11,000	11,000	11,000
(F)Community Service and Corps.....	11,608	11,608	11,608
(F)Disability Determination.....	133,474	133,450	133,450
(F)New Hires.....	1,581	1,581	1,581
(A)Interpreter Registry.....	43	20	20
(A)Pa One Call Fees.....	61	50	50
Subtotal.....	<u>\$ 170,314</u>	<u>\$ 170,999</u>	<u>\$ 172,095</u>
Occupational and Industrial Safety.....	11,350	11,998^b	13,115
(R)Asbestos and Lead Certification (EA).....	2,025	2,025	2,025
Subtotal - State Funds.....	\$ 23,897	\$ 25,288	\$ 27,501
Subtotal - Federal Funds.....	157,663	157,639	157,639
Subtotal - Augmentations.....	104	70	70
Subtotal - Restricted Revenues.....	2,025	2,025	2,025
Total - General Government.....	<u>\$ 183,689</u>	<u>\$ 185,022</u>	<u>\$ 187,235</u>

Grants and Subsidies:

Occupational Disease Payments.....	\$ 678	\$ 624	\$ 498
Transfer to Vocational Rehabilitation Fund.....	40,473	45,473	47,473
Supported Employment.....	397	397	397
Centers for Independent Living.....	1,912	2,318^c	2,318
Workers' Compensation Payments.....	799	692	591
Keystone Works.....	100	0	0
New Choices / New Options.....	500	0	0
Assistive Technology Devices.....	400	400	400
Assistive Technology Demonstration and Training.....	399	399	399
(F)Reed Act - Unemployment Insurance.....	6,000	6,000	6,000
(F)Reed Act - Employment Services.....	22,000	72,000	72,000
(F)WIOA - Adult Employment and Training.....	50,000	50,000	50,000
(F)WIOA - Youth Employment and Training.....	52,000	52,000	52,000
(F)WIOA - Statewide Activities.....	18,000	18,000	18,000
(F)WIOA - Dislocated Workers.....	109,000	109,000	109,000
(F)WIOA - Veterans Employment and Training.....	900	0	0
(F)TANFBG - Youth Employment and Training.....	15,000	25,000	25,000
(F)Comprehensive Workforce Development (EA).....	1,824	1,897	2,004
(F)Summer Youth Employment (EA).....	4,000	0	0
Subtotal.....	<u>\$ 278,724</u>	<u>\$ 333,897</u>	<u>\$ 334,004</u>
Industry Partnerships.....	1,813	5,813^d	11,613
Subtotal - State Funds.....	\$ 47,471	\$ 56,116	\$ 63,689
Subtotal - Federal Funds.....	278,724	333,897	334,004
Total - Grants and Subsidies.....	<u>\$ 326,195</u>	<u>\$ 390,013</u>	<u>\$ 397,693</u>
STATE FUNDS.....	\$ 71,368	\$ 81,404	\$ 91,190
FEDERAL FUNDS.....	436,387	491,536	491,643
AUGMENTATIONS.....	104	70	70
RESTRICTED REVENUES.....	2,025	2,025	2,025
GENERAL FUND TOTAL.....	<u>\$ 509,884</u>	<u>\$ 575,035</u>	<u>\$ 584,928</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Vending Machine Proceeds.....	\$ 76	\$ 466	\$ 466
ADMINISTRATION FUND:			
Administration of Unemployment.....	\$ 179,892	\$ 191,182	\$ 203,000
EMPLOYMENT FUND FOR THE BLIND:			
General Operations.....	\$ 460	\$ 800	\$ 800
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Material Response Administration.....	\$ 4	\$ 20	\$ 20
JOB TRAINING FUND:			
Job Training (EA).....	\$ 5,000	\$ 5,000	\$ 5,000
REHABILITATION CENTER FUND:			
General Operations.....	\$ 22,574	\$ 23,566	\$ 22,800
UNEMPLOYMENT COMPENSATION CONTRIBUTION:			
(R)Reemployment Services.....	\$ 10,000	\$ 10,000	\$ 10,000
(R)Service and Infrastructure Improvement.....	50,000	31,838	31,000
UNEMPLOYMENT COMPENSATION CONTRIBUTION TOTAL.....	\$ 60,000	\$ 41,838	\$ 41,000
VOCATIONAL REHABILITATION FUND:			
General Operations (EA).....	\$ 33 ^e	\$ 5 ^e	\$ 5 ^e
Vocational Rehabilitation Services (EA).....	137,299	155,299	157,400
VOCATIONAL REHABILITATION FUND TOTAL.....	\$ 137,332	\$ 155,304	\$ 157,405
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation.....	\$ 70,666	\$ 71,966	\$ 81,886
Transfer to the Uninsured Employers Guaranty Fund.....	0	6,100	5,200
Loan to Uninsured Employers Guaranty Fund.....	2,000	0	0
(A) Conference Fees.....	283	400	400
WORKMEN'S COMPENSATION ADMINISTRATION FUND TOTAL.....	\$ 72,949	\$ 78,466	\$ 87,486
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 71,368	\$ 81,404	\$ 91,190
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	436,387	491,536	491,643
AUGMENTATIONS.....	104	70	70
RESTRICTED.....	2,025	2,025	2,025
OTHER FUNDS.....	478,287	496,642	517,977
TOTAL ALL FUNDS.....	\$ 988,171	\$ 1,071,677	\$ 1,102,905

^a Includes recommended supplemental appropriation of \$368,000.

^b Includes recommended supplemental appropriation of \$636,000.

^c Includes recommended supplemental appropriation of \$406,000.

^d Includes recommended supplemental appropriation of \$4,000,000.

^e General Operations-Vocational Rehabilitation Fund is not added to the total to avoid double counting. 2014-15 Actual is \$40,506,000, 2015-16 Available is \$45,478,000, 2016-17 Budget is \$47,478,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 23,897	\$ 25,288	\$ 27,501	\$ 27,526	\$ 27,802	\$ 28,079	\$ 28,361
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,133	2,115	2,115	2,135	2,155	2,176	2,197
SUBCATEGORY TOTAL.....	<u>\$ 26,030</u>	<u>\$ 27,403</u>	<u>\$ 29,616</u>	<u>\$ 29,661</u>	<u>\$ 29,957</u>	<u>\$ 30,255</u>	<u>\$ 30,558</u>
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 1,477	\$ 1,316	\$ 1,089	\$ 1,089	\$ 1,089	\$ 1,089	\$ 1,089
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	135,055	135,031	135,031	135,031	135,031	135,031	135,031
OTHER FUNDS.....	257,841	274,648	295,486	283,805	284,352	285,467	286,311
SUBCATEGORY TOTAL.....	<u>\$ 394,373</u>	<u>\$ 410,995</u>	<u>\$ 431,606</u>	<u>\$ 419,925</u>	<u>\$ 420,472</u>	<u>\$ 421,587</u>	<u>\$ 422,431</u>
WORKFORCE INVESTMENT							
GENERAL FUND.....	\$ 2,413	\$ 5,813	\$ 11,613	\$ 11,613	\$ 11,613	\$ 11,613	\$ 11,613
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	301,332	356,505	356,612	356,612	356,612	356,612	356,612
OTHER FUNDS.....	50,000	31,838	31,000	31,000	31,000	31,000	31,000
SUBCATEGORY TOTAL.....	<u>\$ 353,745</u>	<u>\$ 394,156</u>	<u>\$ 399,225</u>	<u>\$ 399,225</u>	<u>\$ 399,225</u>	<u>\$ 399,225</u>	<u>\$ 399,225</u>
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 43,581	\$ 48,987	\$ 50,987	\$ 50,987	\$ 50,987	\$ 50,987	\$ 50,987
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	170,442	190,136	191,471	191,699	191,929	192,162	192,397
SUBCATEGORY TOTAL.....	<u>\$ 214,023</u>	<u>\$ 239,123</u>	<u>\$ 242,458</u>	<u>\$ 242,686</u>	<u>\$ 242,916</u>	<u>\$ 243,149</u>	<u>\$ 243,384</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 71,368	\$ 81,404	\$ 91,190	\$ 91,215	\$ 91,491	\$ 91,768	\$ 92,050
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	436,387	491,536	491,643	491,643	491,643	491,643	491,643
OTHER FUNDS.....	480,416	498,737	520,072	508,639	509,436	510,805	511,905
DEPARTMENT TOTAL.....	<u>\$ 988,171</u>	<u>\$ 1,071,677</u>	<u>\$ 1,102,905</u>	<u>\$ 1,091,497</u>	<u>\$ 1,092,570</u>	<u>\$ 1,094,216</u>	<u>\$ 1,095,598</u>

Program: Community and Occupational Safety and Stability

Goal: To further economic development in the commonwealth by promoting the health, welfare and safety of employees and acting to maintain continuous production and employment through mediation.

The department administers and enforces a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect workers' rights and promote stable labor relations and labor-management cooperation.

Program Element: Income Security and Workers' Rights

The Bureau of Labor Law Compliance monitors and enforces Pennsylvania's laws relating to minimum wage, wage payment and collection and prevailing wage. The department also enforces several laws which protect workers' rights, those regulating child labor, seasonal farm labor, industrial homework, equal pay, medical pay, apprenticeship and training, misclassification of construction employees as independent contractors and mandatory overtime in health care. The bureau executes these responsibilities by providing employees and employers with information about the laws, conducting investigations and resolving disputes.

Case Data	Annual Average
Minimum wage violations cited	450
Child Labor Law violations	200
Nonpayment of wage violations	6,000
Prevailing Wage Law violations	500
Prevailing Wage Law violations cases closed	300
Prevailing Wage Law violations cases closed-average number of days	180

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.

Case Data	Annual Average
Unfair labor practice cases opened	375
Unfair labor practice cases concluded	325
Union representation cases opened	150
Union representation cases concluded	100

Program Element: Public Health and Safety

The Bureau of Occupational and Industrial Safety enforces and administers a variety of statutes and regulations which relate to public safety issues, including the Uniform Construction Code, which regulates building construction, accessibility, and elevators. The bureau also enforces Pennsylvania laws regulating boilers and unfired pressure vessels, liquefied petroleum gas, flammable and combustible liquids, bedding and upholstery, stuffed toys, employee safety with regard to hazardous chemicals, and accreditation and certification in lead-based paint and asbestos occupations. These laws are enforced by establishing necessary regulations and by conducting plan reviews, specialized field inspections, licensing and certification reviews and renewals, as well as complaint and accident investigations and audits. The bureau also monitors all inspectors' reporting activities in order to ensure that both the inspectors are discharging their duties properly and that regulated devices, equipment and construction continue to operate safely.

Additionally, the bureau maintains various training, continuing education, testing and certification programs for all persons charged with enforcement of the Uniform Construction Code and laws regulating boilers and unfired pressure vessels, elevators and passenger ropeways, and lead-based paint and asbestos abatement occupations. Such programs enable the bureau to fulfill its duties under the Pennsylvania Construction Code Act, which mandates adoption of the International Construction Codes. The bureau enforces the code as it applies to all commercial buildings within the 152 municipalities which

Program: Community and Occupational Safety and Stability (continued)

have not opted for local enforcement and all state-owned buildings. The bureau also enforces accessibility laws in municipalities that do not have officials properly certified to provide such enforcement.

The bureau administers the Hazardous Material Emergency Planning & Response Act. Under this law, the bureau collects tier II hazardous chemical inventory report data, material safety data sheets and site plans from every Pennsylvania employer and manages it through a secure online reporting program. In the event of an emergency incident at a reporting facility, the state Emergency Operations Center and local emergency response agencies can access the online system and retrieve needed information. 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.

Inspections and Certifications	2013-14	2014-15	2015-16
Building inspections performed	37,300	37,000	37,000*
Elevator inspections performed	12,000	12,982	12,500*
Boiler inspections performed	21,000	21,183	22,400*
Other inspections performed	3,600	3,613	3,600*
Building approvals issued	2,200	2,260	2,200*
New buildings certified and renovations of existing buildings certified	2,100	2,100	2,100*
Municipalities choosing to provide their own enforcement under the Uniform Construction Code Act	2,407	2,408	2,408*
Certifications, accreditations & licensing (Asbestos/Lead/Private Employment Agency Licensing Uniform Construction Code)	3,500	7,500	6,000*

* Estimated

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND	
General Government Operations	
\$ 300	—Initiative—Jobs That Pay—Summer Internship Program. To provide funds for internship opportunities for disadvantaged youth.
250	—Initiative—Government That Works. Labor Law Compliance Database Upgrade.
546	—to continue current program.
\$ 1,096	<i>Appropriation Increase</i>

Occupational and Industrial Safety	
\$ 1,117	—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 12,547	\$ 13,290	\$ 14,386	\$ 14,280	\$ 14,423	\$ 14,567	\$ 14,713
Occupational and Industrial Safety	11,350	11,998	13,115	13,246	13,379	13,512	13,648
TOTAL GENERAL FUND	\$ 23,897	\$ 25,288	\$ 27,501	\$ 27,526	\$ 27,802	\$ 28,079	\$ 28,361

Program: Workers' Compensation and Assistance

Goal: To further economic development in the commonwealth by stabilizing the incomes of employees who become unemployed.

This program provides income and medical services security to qualifying individuals. This program includes workers' compensation, unemployment compensation, occupational disease payments and Social Security disability payments.

Through private insurance companies, the State Workers' Insurance Fund and self-insured employers, workers' compensation insurance provides wage loss benefits and payments for medical services to employees for injuries or diseases sustained during the course of their employment. The commonwealth's administrative expenses are funded from assessments through the insurance industry and self-insurers.

Act 147 of 2006 amended the Workers' Compensation Act to create an Uninsured Employers Guaranty Fund to provide benefits to injured workers whose employers do not have workers' compensation insurance and are not approved by the commonwealth to self-insure. The benefits and claims management costs of this fund come from an annual assessment through the insurance industry and self-insurers. This act also made changes to the workers' compensation litigation process by requiring a worker's compensation judge to impose specific scheduling orders at the first hearing, mandating mediation unless it would be futile and requiring a resolution hearing procedure to expedite consideration of settlements.

Occupational disease payments are made under the Workers' Compensation Act and the Occupational Disease Act, primarily to workers with silicosis and related diseases, commonly referred to as "black lung." Workers with these diseases are generally covered based on their date of last exposure and disability. Injured workers proceeding under the Workers' Compensation Act where exposure occurred after July 1, 1973, and which resulted in disability or death occurring between July 1, 1973 and June 30, 1976, are paid a proportional amount by the commonwealth. Those exposed on or after June 30, 1976, receive benefits paid entirely by their employer. Those who do not meet the eligibility requirements under the Workers' Compensation Act may file claims pursuant to the Occupational Disease Act.

Claims and Decision Data	2013-14	2014-15	2015-16
Reportable injuries arising in the course of employment under the Workers' Compensation Act	73,000	86,000	91,000*
Number of final decisions in litigated workers' compensation claims	48,000	48,000	48,000*
Claimants qualifying for occupational disease payments from commonwealth funds	268	228	188*
New claims for unemployment compensation	711,082	605,480	590,000*

*Estimated

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND	
Occupational Disease Payments	
\$ -126	—to continue current program based on payment requirements.
Workers' Compensation Payments	
\$ -101	—to continue current program based on payment requirements.

In addition, this budget recommends the following changes to the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

Administration of Workers' Compensation	
\$ 7,300	—for upgrades and enhancements for the Workers Compensation Automation and Integration System (WCAIS).
2,620	—to continue current program.
\$ 9,920	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Occupational Disease Payments.....	\$ 678	\$ 624	\$ 498	\$ 498	\$ 498	\$ 498	\$ 498
Workers' Compensation Payments	799	692	591	591	591	591	591
TOTAL GENERAL FUND	\$ 1,477	\$ 1,316	\$ 1,089	\$ 1,089	\$ 1,089	\$ 1,089	\$ 1,089

Program: Workers' Compensation and Assistance (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
WORKMEN'S COMPENSATION							
ADMINISTRATION FUND:							
Administration of Workers' Compensation. \$	70,666	\$ 71,966	\$ 81,886	\$ 75,405	\$ 75,952	\$ 77,067	\$ 77,911
Transfer to the Uninsured Employers Guaranty Fund.....	0	6,100	5,200	0	0	0	0
Loan to Uninsured Employers Guaranty Fund.....	2,000	0	0	0	0	0	0
(A) Conference Fees	283	400	400	400	400	400	400
TOTAL WORKMEN'S COMPENSATION ADMINISTRATION FUND	\$ 72,949	\$ 78,466	\$ 87,486	\$ 75,805	\$ 76,352	\$ 77,467	\$ 78,311

Program: Workforce Investment

Goal: To provide meaningful job training and placement services in a coordinated role with other commonwealth agencies, the private sector and the federal government in order to secure unsubsidized employment for unemployed Pennsylvanians.

The Workforce Development System provides a range of employment, training and labor market information services statewide. The Department of Labor & Industry is the lead agency in administering interagency employment and training programs for Pennsylvania's adult, dislocated worker and youth labor force. Programs assist people who are looking for work, including Temporary Assistance for Needy Families clients and unemployed individuals, in skill development and in finding suitable employment, as well as assisting working Pennsylvanians with career advancements into family sustaining jobs. It is administered by the Bureau of Workforce Development Administration, the Bureau of Workforce Partnership and Operations, the Center for Workforce Information and Analysis and the State Workforce Development Board.

In addition to training programs, the Center for Workforce Information and Analysis (CWIA) 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. CWIA also disseminates labor market information through diverse products covering employment data, hiring trends and other economic indicators. The center also develops, in consultation with education and economic development partners, the High Priority Occupation (HPO) list. HPOs are occupations that are in demand by employers, have higher skill needs and are likely to provide family-sustaining wages. Statewide and local HPO lists are published annually. The HPO list and corresponding training programs drive Pennsylvania's investments in workforce education and training.

The Workforce Innovation and Opportunity Act (WIOA) of 2014 was enacted to help job seekers and workers access employment, education, training, and support services to succeed in the labor market and match employers with skilled workers they need to compete in the global economy. WIOA supersedes the Workforce Investment Act of 1998 (WIA) and retains and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. In general, the Act takes effect on July 1, 2015, the first full program year after enactment; however, WIA state and local plan provisions and current performance accountability systems continue to apply for the 1st full Program Year. State Unified Plans, Common Performance Accountability provisions, and One-Stop Infrastructure cost requirements take effect on July 1, 2016. The new law will bring together

and enhance several key employment, education, and training programs. Through formula grants to states, the WIOA will bring together the core programs in skill development. Grants will be awarded for employment and training services for youth, adults, dislocated workers, and Wagner-Peyser employment services. The WIOA also authorizes programs for specific vulnerable populations including participants in Job Corps, YouthBuild, Native Americans and migrant and seasonal farm workers.

Program Element: PA CareerLink®

PA CareerLink® is a one-stop workforce development system that has improved service for businesses, job seekers and other customers by integrating systems and coordinating services. Services available at the PA CareerLink® for individuals include job search and placement assistance, labor market information, initial assessment of skills and needs and information about available services and follow-up services to help customers keep their jobs after placement. Services available to businesses include assistance in matching qualified job-seekers with job openings, identifying tax incentives that the business may be eligible for by employing certain target groups, assessment for occupational and training needs and provision of labor market information. In addition to physical locations, the PA CareerLink® also offers an internet-based system that both employer and job seeker customers can access.

Congress reaffirmed the role of the American Job Center System (formerly described as the One-Stop System), a cornerstone of the public workforce investment system. PA CareerLink® is the brand name for Pennsylvania's service delivery system.

The PA CareerLink® system is a cooperative effort involving the Departments of Education, Labor & Industry, Human Services 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

Program: Workforce Investment (continued)

percent of the funds for dislocated workers are allotted to states. Of this allotment, 70 percent is allocated to local areas and 30 percent is retained at the state level (5 percent for statewide activities and 25 percent for rapid response efforts). Local areas offer job search assistance and training services to dislocated workers.

Rapid Response is an early intervention service that assists workers, employers and communities affected by layoffs, plant closures or natural disasters. The primary objective of the Rapid Response program is to provide workers with information on the services they need to allow them to find new jobs or get the training and education needed for new careers so that they can get back to work quickly. Through Rapid Response, workers are provided information about the following: unemployment insurance; training opportunities; job search assistance; Trade Act programs; health insurance and pension benefits; social services; and emergency assistance. The Rapid Response program also offers referrals to state and local economic development services designed to help businesses that are at risk of closing remain in operation.

Rapid Response program activities are triggered when the department learns of a planned closure or layoff either by receiving a notice under the Federal Worker Adjustment and Retraining Notification Act, through the media or by information provided by community and business leaders. Services may also be offered when Pennsylvania experiences significant employment displacement as a result of a disaster. There is no charge to the employer or employee for these services and they are provided regardless of the reason for the layoff.

In July 2012, the department developed and launched a comprehensive job-matching system: JobGatewaySM. Through the modernization and improvement of the existing system, cutting-edge technologies have been introduced in phases to benefit both job seekers and employers alike. Through this initiative, job-seekers are matched with employment opportunities enabling employers to identify candidates who fit their needs.

Program Element: Industry Partnerships

The Industry Partnership program was created to support employer led consortiums within industry sectors in meeting their training and workforce development needs. Industry Partnerships are employer/worker consortiums that bring together companies with similar products, markets and human resource needs. They are organized by industry sector based on an analysis of where Pennsylvania and/or multi-county regions appear to have a competitive advantage. The intent is to make intelligent and prudent investments to develop the human capital that will lead to greater productivity, enlightened human resource practices and innovation, thereby helping these industries to survive and grow. Most importantly, by bringing together employers committed to the development of their workforce, these partnerships develop a deep and thorough understanding

of their industry. Management and employees gain insight by researching the future of the industry. Government also uses this industry intelligence to help its education and training partners better understand the future needs of industry.

Industry Partnerships uncover common challenges within industries and, using economies of scale, apply private and public resources across numerous employers to develop incumbent workers' skills. Tax dollars and matching employer investments support the entire industry, not just one company's needs. Through these partnerships, industry-recognized credentials can be developed that enable workers to advance with their current employers or seek better opportunities with those who reward their educational investment. Training needs are communicated to educational partners who develop curricula for new college courses, high school and career and technical education programs and other training programs.

Workforce Investment Act Title I	2013-14	2014-15	2015-16 *
Workforce Investment Act Adult Entered Employment Rate	71%	73.60%	77%
Dislocated Worker Entered Employment Rate	78.20%	80.30%	80%
Youth Placement Rate	63.10%	68.40%	68%
Workforce Investment Act Adult Employment Retention	84.80%	85.60%	84%
Dislocated Worker Employment Retention	89.10%	90.10%	90%
Youth Attainment (Individuals attaining a high school diploma, GED, postsecondary degree, or certification while enrolled in training)	86.10%	89.80%	88%
Number of Rapid Response Activities	250	295	200
Number of Individuals Trained by Individual Training Accounts	3,960	3,501	4,000
Wagner Peyser			
Wagner-Peyser Entered Employment Rate	54.70%	65.60%	58%
Wagner-Peyser Employment Retention	83.70%	86.60%	87%
Incumbent Workers			
Incumbent Worker Employment Retention Rate (Industry Partnership Participants)	92.24%	93%	93%
Incumbent Worker Wage Change (Industry Partnership Participants)	8.11%	8%	8%
Number of Incumbent Workers Trained (Industry Partnership Participants)	3,543	2,840	8,000
Apprentice completions-graduations	2,500	2,500	2,500
Registered Apprentices	14,500	15,000	15,000
Minorities Registered for Apprenticeship	1,500	1,500	1,500

* 2015-16 are estimated

Program: Workforce Investment (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 5,800 **Industry Partnerships**
 —Initiative—Jobs That Pay. To support workforce development for industry groups linked by common product markets, similar technologies and workforce strategies.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Keystone Works	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
New Choices / New Options	500	0	0	0	0	0	0
Industry Partnerships	1,813	5,813	11,613	11,613	11,613	11,613	11,613
TOTAL GENERAL FUND	\$ 2,413	\$ 5,813	\$ 11,613	\$ 11,613	\$ 11,613	\$ 11,613	\$ 11,613

Program: Vocational Rehabilitation

Goal: To enable eligible persons with disabilities to obtain competitive employment.

The mission of the Office of Vocational Rehabilitation (OVR) is to assist Pennsylvanians with disabilities to secure and maintain employment and independence. OVR provides services in accordance with the Rehabilitation Act of 1973 as reauthorized in Title IV of the Workforce Innovation and Opportunities Act (WIOA) of 2014. OVR's Vocational Rehabilitation program is both state and federally funded. Every state dollar invested enables the department to draw down up to four times as much in federal funds.

OVR's strategic objectives focus on:

- Increasing the employment opportunities for individuals with disabilities through the development of innovative and collaborative programs developed in partnership with industry.
- Increasing the number of disabled youth who have successfully completed secondary education into the competitive integrated labor market versus entering sub-minimum wage employment settings.
- Increasing the number of students served by collaborating with local education entities, career and technology centers, families and other stakeholders.
- Increasing the number of work-based learning experiences for disabled students while they are enrolled in secondary education.
- Enhancing the comprehensive workforce system by increasing collaboration, physical and programmatic accessibility, and data sharing between workforce partner agencies, the Department of Human Services and the Department of Education.

OVR assists the disabled by preparing them for and identifying appropriate careers, assisting with independent living, and fostering community participation. Statewide, there are an estimated 790,000 men and women ages 18-64 who reported a disability or impairment in 2014. Approximately 75,000 were served by OVR programs with 8,500 being placed into competitive integrated employment. Primary emphasis is placed on serving individuals with the most significant disabilities. These individuals generally require extensive, comprehensive and unique services over an extended period of time. OVR utilizes a significant portion of funding for training and supported employment services. Supported employment combines job placement

in the community with job training at the job site. A key component of OVR's mission is to serve the needs of Pennsylvania businesses through access to OVR's pre-screened talent base of qualified career seekers. OVR offers businesses no-cost consultative services.

The Commonwealth Technical Institute located at the Hiram G. Andrews Center (HGAC) in Johnstown is administered through OVR. HGAC offers a wide array of job training and vocational rehabilitation services in a campus-like environment. OVR, through the Bureau of Blindness and Visual Services (BBVS), provides independent living and specialized services to children and adults over 55 with blindness or visual impairments. These programs teach adaptive independent living skills and provide referral and information to community resources, assistive technology, and tools or equipment that lead to greater independence and community access.

The Workforce Innovation and Opportunities Act requires OVR to reserve 15% of its federal vocational rehabilitation award for Pre-Employment Transition Services (PETS) to serve students with disabilities. The Pennsylvania Department of Education estimates that there are 100,000 students in PA schools that currently have an Individualized Education Plan (IEP) and could benefit from additional transition services through OVR. This federal requirement creates additional opportunities for students with disabilities as they transition from school to work or post-secondary education. Five core PETS services are job exploration counseling, work-based learning experiences, counseling on opportunities for post-secondary education, work-place readiness training and instruction in self-advocacy.

OVR also provides oversight and technical support for independent living services to nine, community-based, non-profit Centers for Independent Living (CILs). The CILs provide information and referral services, peer counseling, transition services, independent living skills training and advocacy services to individuals with disabilities and assists them with living independently and accessing services.

Additionally, OVR administers initiatives that increase the availability and affordability of assistive technology through two, third-party programs. The Pennsylvania Assistive Technology Foundation provides financing for disabled individuals who wish to purchase technology. The Pennsylvania Assistive Technology Lending Library offers disabled individuals the opportunity to try new technology before they make such a purchase.

Program: Vocational Rehabilitation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Transfer to the Vocational Rehabilitation Fund
 \$ 2,000 —Initiative—Jobs That Pay. To maximize the use of available federal funds to help people with disabilities.

All other appropriations in this program are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Transfer to Vocational Rehabilitation Fund \$	40,473	\$ 45,473	\$ 47,473	\$ 47,473	\$ 47,473	\$ 47,473	\$ 47,473
Supported Employment.....	397	397	397	397	397	397	397
Centers for Independent Living	1,912	2,318	2,318	2,318	2,318	2,318	2,318
Assistive Technology Devices	400	400	400	400	400	400	400
Assistive Technology Demonstration and Training	399	399	399	399	399	399	399
TOTAL GENERAL FUND	\$ 43,581	\$ 48,987	\$ 50,987	\$ 50,987	\$ 50,987	\$ 50,987	\$ 50,987

Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Community and Occupational Safety and Stability

Objective: Workers who participate in Industry Partnerships skills upgrading will realize a wage increase of at least 5% one year after training is completed.

Percentage of workers receiving wage increases within one year after receiving Partnership Skills training	6%	6%	7.50%	8.50%	8.50%	8.50%	8.50%
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Objective: Maintain and improve cooperative labor-management relations.

Labor Relations

Mediated cases for public sector bargaining units involving work stoppages	2%	2%	2%	2%	2%	2%	2%
Mediated cases for private sector bargaining units involving work stoppages	10%	10%	10%	10%	10%	10%	10%

Public Health and Safety Inspections

Incident reports received	650	650	600	600	600	600	600
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Program: Workforce Investment

Objective: Increase the number of Pennsylvanians able to obtain, retain and advance in 21st-century careers, as well as improve the global competitiveness of Pennsylvania's employers.

Pennsylvania residents receiving workforce training	83,500	85,000	85,000	85,000	85,000	85,000	85,000
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Program: Vocational Rehabilitation

Objective: Increase the employment potential and personal independence of persons with disabilities.

Number of eligible participants with active plans	52,500	50,000	50,000	50,000	50,000	50,000	50,000
Number of participants closed as employed	8,841	10,000	10,000	10,000	10,000	10,000	10,000
Number of persons successfully completing independent living/specialized services	1,294	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	931	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	2,131	1,255	1,255	1,255	1,255	1,255	1,255

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LIQUOR CONTROL BOARD

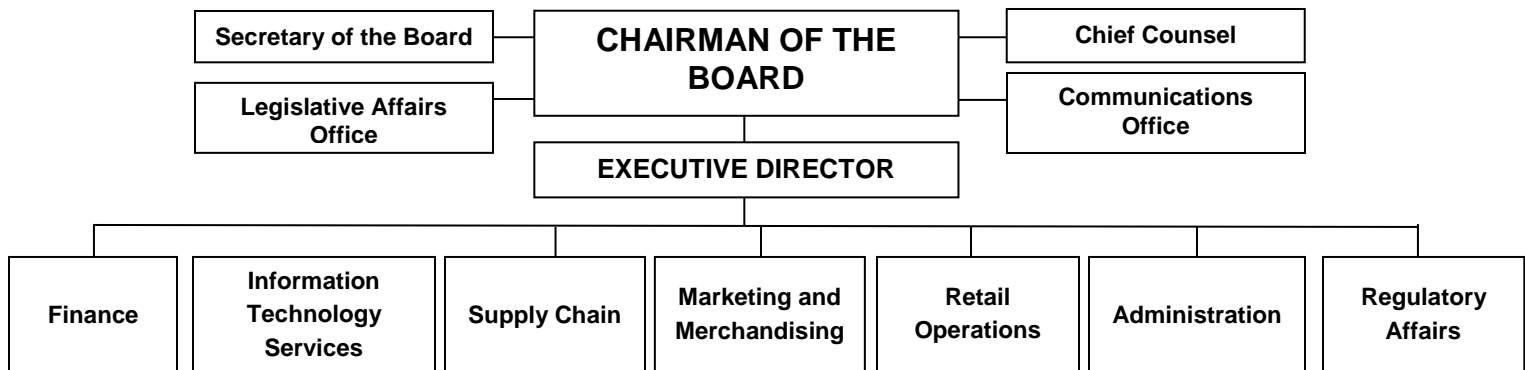
The mission of the Liquor Control Board is to regulate Pennsylvania's alcohol beverage industry in accordance with the laws of the commonwealth; offer a comprehensive education program that promotes the responsible use of alcohol; provide superior service, selection and pricing to our customers and licensees; and operate efficiently and economically to generate revenue for the commonwealth.

The board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the commonwealth.

Programs and Goals

Liquor Control: *To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.*

Organization Overview



- **Finance** is responsible for budgeting, planning, forecasting, managing banking relationships, cash control, financial analyses, and coordinating monthly accounting and reporting. Beyond the fiscal role, other functions of Finance include the procurement of all services, equipment and non-stock items.
- **Information Technology Services** is responsible for two major operational initiatives – the support of daily operational IT services and the innovation and upgrade to infrastructure, retail, regulatory and inventory management systems.
- **Supply Chain** purchases approximately 3,500 regular wine and spirits products from domestic and foreign suppliers, which includes controlling the flow of merchandise to meet customer demands. The office handles the importation, excise taxes, customs duties, warehousing and transportation of products to the retail stores.
- **Marketing and Merchandising** selects and presents the best wine and spirits at Fine Wine & Good Spirits stores at competitive prices while striving to build relationships with consumers through communications, advertising and social media outlets. Marketing directs the overall planning, organization, coordination and strategic direction of marketing programs, initiatives and projects.
- **Retail Operations** is responsible for overseeing the daily operations of approximately 600 Fine Wine & Good Spirits stores throughout the commonwealth. This includes store staffing, training, inventory control, various marketing/sales promotions, equipment enhancements, software upgrades and the implementation of new incentives.
- **Administration** is responsible for developing, recommending and directing the implementation of policies, procedures and regulations. It also directs the operations and activities of the Bureaus of Human Resources, Talent Management and Support Services.
- **Regulatory Affairs** oversees approximately 17,000 licensees throughout the commonwealth ensuring the licensed beverage industry complies with statutory requirements and regulatory mandates. This office also handles all consumer feedback and issues through consumer relations and provides leadership and resources to reduce alcohol misuse through alcohol education, training and guidance to owners and managers.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
3,276	3,276	3,276	3,270	3,270

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>OTHER FUNDS:</u>			
STATE STORES FUND:			
General Operations (EA).....	\$ 484,958	\$ 516,618	\$ 538,385
(A)Sale of Automobiles.....	23	20	20
Purchase of Liquor (EA).....	1,311,000	1,332,250	1,386,000
Comptroller Operations (EA).....	5,320	5,000	5,419
STATE STORES FUND TOTAL.....	\$ 1,801,301	\$ 1,853,888	\$ 1,929,824

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
LIQUOR CONTROL							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,801,301	1,853,888	1,929,824	2,006,413	2,086,865	2,170,213	2,256,493
SUBCATEGORY TOTAL.....	<u>\$ 1,801,301</u>	<u>\$ 1,853,888</u>	<u>\$ 1,929,824</u>	<u>\$ 2,006,413</u>	<u>\$ 2,086,865</u>	<u>\$ 2,170,213</u>	<u>\$ 2,256,493</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,801,301	1,853,888	1,929,824	2,006,413	2,086,865	2,170,213	2,256,493
DEPARTMENT TOTAL.....	<u><u>\$ 1,801,301</u></u>	<u><u>\$ 1,853,888</u></u>	<u><u>\$ 1,929,824</u></u>	<u><u>\$ 2,006,413</u></u>	<u><u>\$ 2,086,865</u></u>	<u><u>\$ 2,170,213</u></u>	<u><u>\$ 2,256,493</u></u>

Program: Liquor Control

Goal: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.

All bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed Pennsylvania wineries and distilleries are made through approximately 600 state liquor stores operated by the Pennsylvania Liquor Control Board (PLCB). This includes both retail sales to individual consumers and wholesale sales to those private establishments that make retail sales of alcoholic beverages by the drink. The state liquor stores currently include 10 licensee service centers, two outlet stores, 19 one-stop shops located in grocery stores, 82 Premium Collection stores and 181 stores that are open on Sundays.

Revenues from the sale of wines and spirits cover the cost of merchandise sold in the stores and all Liquor Control Board operating expenses including Office of the Comptroller for the PLCB, operations of the Pennsylvania State Police Bureau of Liquor Control Enforcement, Department of Drug and Alcohol programs and expenses related to services provided by other state agencies such as the Office of Administration and Auditor General. Remaining proceeds from wine and spirit sales are transferred annually to the commonwealth's General Fund.

The Liquor Control Board's marketing strategy is geared toward offering increased service to customers of legal age while maintaining the necessary controls at the point of purchase of alcoholic beverages. Each year, more than 1.3 million minor challenges are documented in sales situations where store employees had concern regarding the legal age requirement of potential buyers. Recent agency initiatives to increase service and expand premium product selection include growth of the Chairman's Selection™ wine program, enhanced internet presence and a make-over of the Liquor Control Board's image through a complete rebranding effort in select retail locations. Expanded customer service has resulted from amendments to the Liquor Code that have allowed implementation of consumer-oriented changes within the store environment including trade publication and accessory item sales, in-store sampling of products, Sunday sales and redeemable coupons.

The PLCB licenses private establishments that make retail sales of alcoholic beverages by the drink. It also

regulates the sale of malt and brewed beverages by licensing the distributors, restaurants, hotels and clubs that sell these items. The license quota system is county-based to allow for flexibility of licenses in developing areas most needed within the counties.

The Liquor Control Board has established an important nuisance bar program to ensure the safety and security of our citizens. This program supports a task force that uses the expertise of representatives of community affairs offices, district attorney offices, local and state police drug task forces, local communities and the general assembly. If it is determined that a licensed business has abused its license privilege and, through its conduct or record of violations, demonstrates a pattern of activities that threatens the health and safety of the local community, the Liquor Control Board will refuse to renew its license. The Board typically rejects renewal of more than 150 licenses annually.

The Liquor Control Board formalizes its commitment to providing information about alcohol consumption through the Bureau of Alcohol Education. The bureau's annual budget supports its three-fold mission of delivering a no-alcohol use or "zero tolerance" message to all citizens under the age of 21, encouraging responsibility and moderation for any adult age 21 and over who chooses to drink alcoholic beverages, and promoting responsible alcohol beverage service and practices among licensees and persons that serve beverage alcohol in Pennsylvania. The Education and Grants Management Division awards a maximum of \$1.5 million in educational grants annually that enable colleges, communities and law enforcement agencies to combat underage and dangerous drinking. A comprehensive Responsible Alcohol Management Program (RAMP) offers responsible service training to licensees in Pennsylvania. The Bureau of Alcohol Education's RAMP Division is responsible for overseeing this program, including offering owner/manager training to licensees and certifying, monitoring and tracking all server/seller training in Pennsylvania. Approximately 500,000 alcohol education resources are distributed annually.

Responsible Alcohol Management Program (RAMP)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Owners/Managers Trained	4,513	4,513	4,513	4,513	4,513	4,513	4,513
Servers/Sellers Trained	38,151	39,486	40,868	42,299	43,779	45,312	46,898
Establishments Certified	1,186	1,221	1,258	1,295	1,334	1,374	1,415

Program: Liquor Control (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

STATE STORES FUND			
General Operations (EA)			Purchase of Liquor (EA)
\$	25,867	—to continue current program.	\$ 53,750
	–3,500	—nonrecurring headquarter building improvements.	
	–600	—nonrecurring information system upgrades.	\$ 419
\$	21,767	<i>Appropriation Increase</i>	

This budget proposes a transfer of \$200 million of profits and enhanced proceeds from the State Stores Fund to the General Fund in 2016-17.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
STATE STORES FUND:							
General Operations (EA)	\$ 484,958	\$ 516,618	\$ 538,385	\$ 559,920	\$ 582,317	\$ 605,610	\$ 629,834
Purchase of Liquor (EA)	1,311,000	1,332,250	1,386,000	1,441,000	1,499,000	1,559,000	1,621,000
Comptroller Operations (EA)	5,320	5,000	5,419	5,473	5,528	5,583	5,639
TOTAL STATE STORES FUND	\$ 1,801,278	\$ 1,853,868	\$ 1,929,804	\$ 2,006,393	\$ 2,086,845	\$ 2,170,193	\$ 2,256,473

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Liquor Control

Objective: Increase revenue contributions to the General Fund by maximizing returns.

Pennsylvania State Liquor Stores	601	600	600	600	600	600	600
Gross sales (in thousands)	\$2,362,397	\$2,456,892	\$2,555,168	\$2,657,374	\$2,763,669	\$2,874,216	\$2,989,185
Total contributions from State Stores Fund (including Sales and Use tax, the Johnstown Flood tax, profit transfer and enhanced proceeds)	\$552,162	\$591,048	\$710,690	\$796,118	\$817,362	\$839,457	\$862,435

Objective: Increase the number of individuals that receive alcohol education to promote moderation and avoidance of abuse among legal consumers, and prevention of purchase and consumption by minors.

Alcohol education grants awarded	61	65	65	70	70	75	75
Alcohol education grant money awarded (in thousands)	\$1,071	\$1,137	\$1,140	\$1,210	\$1,210	\$1,280	\$1,280

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

Pennsylvania's Department of Military and Veterans Affairs has a dual mission: to provide quality service to the commonwealth's veterans and their families, and to oversee and support the members of the Pennsylvania National Guard.

The department provides resources and assistance to nearly one million veterans and their families, and also provides quality care for aging and disabled veterans.

Military and Veterans Affairs prepares the Pennsylvania National Guard for combat, performing worldwide combat and combat support operations; provides global reach and the projection of United States military power in support of national objectives; and, at the command of the governor, also provides trained personnel to support state and local authorities in times of natural disaster or civil strife.

The department consists of the Adjutant General, the State Armory Board, the State Veterans Commission, the Pennsylvania Soldiers and Sailors Home in Erie, the Veterans Home in Hollidaysburg, the Southeastern Veterans Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in Philadelphia.

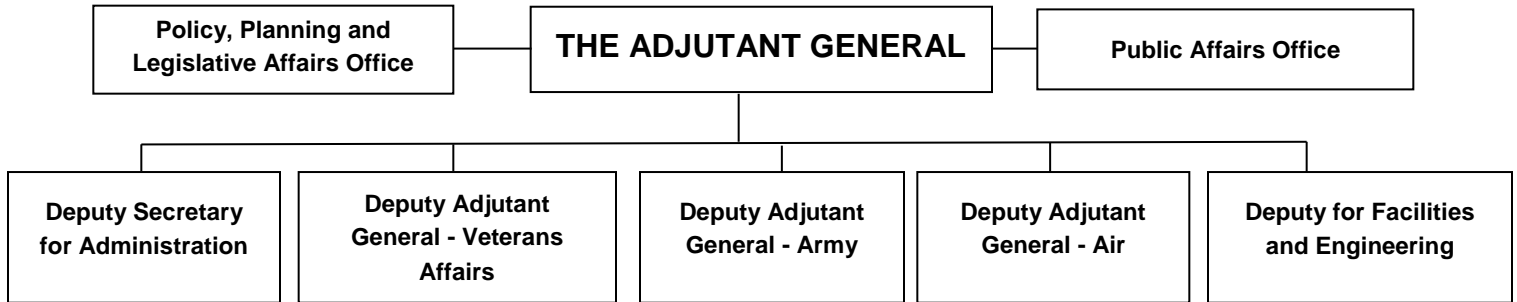
Programs and Goals

State Military Readiness: *To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.*

Veterans Homes: *To provide nursing and domiciliary care for veterans.*

Compensation and Assistance: *To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.*

Organization Overview



- **Deputy Secretary for Administration** is responsible for monitoring the operations of the department to ensure adherence to federal and state policies and regulations. The office acts as liaison to the federal U.S. Property and Fiscal Office to process funds and reimbursements in support of federally funded state positions and operational maintenance agreements between the agency and the federal government. It is responsible for planning, supervising and implementing administrative and procedural matters and managing the administration, office service support and policy direction for the department.
- **Deputy Adjutant General for Veterans Affairs** is responsible for the administration and management of DMVA veterans programs, investigating the work of state agencies in administering laws affecting veterans, advising state agencies on veterans programs and managing the six state veterans homes. By legislative mandate, this office is the official liaison between federal, state and local governmental agencies on all matters concerning veterans' benefits. Its mission is to provide world-class advice and assistance to Pennsylvania's nearly one million veterans, and to provide the highest quality of care to our aging veterans.
- **Deputy Adjutant General for Army** is responsible for the manning, equipping and training of the Pennsylvania Army National Guard, as well as assisting The Adjutant General in supervision and management of the Department of Military and Veterans Affairs.
- **Deputy Adjutant General for Air** is responsible for the Pennsylvania Air National Guard reserve component of the United States Air Force and the fourth largest Air National Guard force in the country with 4,000 members. It plays an important role in the nation's defense and supporting the commonwealth in times of need. The organization has three diverse operational wings located at six separate bases ensuring both federal and state missions are efficiently and successfully accomplished.
- **Deputy for Facilities and Engineering** is responsible for the acquisition, management, maintenance, construction, operation and disposal of all land and facilities that support the Pennsylvania Army National Guard. This includes Fort Indiantown Gap National Guard training center, approximately 87 National Guard readiness centers, 25 National Guard field maintenance shops and six veterans homes.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
2,312	2,236	2,218	2,226	2,226

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 21,381	\$ 23,528^a	\$ 24,110
(F)Facilities Maintenance.....	77,685	77,685	77,685
(F)Federal Construction Grants.....	28,000	110,000	110,000
(F)Rural Veterans Coordination Pilot.....	2,000	0	0
(F)Domestic Preparedness (EA).....	0	80	0
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Housing Fees.....	69	75	78
(A)Utility Reimbursements.....	165	199	199
(A)Miscellaneous.....	128	94	99
Burial Detail Honor Guard.....	99	99	99
American Battle Monuments.....	50	50	50
Army Maintenance and Repair.....	245	245	245
Special State Duty.....	35	35	35
Subtotal.....	\$ 129,979	\$ 212,212	\$ 212,722
Subtotal - State Funds.....	\$ 21,810	\$ 23,957	\$ 24,539
Subtotal - Federal Funds.....	107,685	187,765	187,685
Subtotal - Augmentations.....	484	490	498
Total - General Government.....	\$ 129,979	\$ 212,212	\$ 212,722
<i>Institutional:</i>			
Veterans Homes.....	\$ 82,433	\$ 91,924^b	\$ 104,726
(F)Operations and Maintenance.....	45,519	49,763	49,528
(F)Medical Reimbursements.....	260	225	225
(F)Enhanced Veterans Reimbursement.....	22,728	22,830	18,830
(A)Aid and Attendance Payments.....	8,313	8,138	8,289
(A)Residential Fees.....	19,485	19,899	19,962
(A)Estate Collections.....	3,690	2,774	2,774
(A)Insurance or Third Party Reimbursements.....	25	29	28
(A)Physical & Occupational Therapy Reimbursements.....	365	365	365
(A)Pharmaceutical Reimbursement.....	1,305	1,444	1,327
(A)Miscellaneous.....	58	26	26
Subtotal.....	\$ 184,181	\$ 197,417	\$ 206,080
Subtotal - State Funds.....	\$ 82,433	\$ 91,924	\$ 104,726
Subtotal - Federal Funds.....	68,507	72,818	68,583
Subtotal - Augmentations.....	33,241	32,675	32,771
Total - Institutional.....	\$ 184,181	\$ 197,417	\$ 206,080
<i>Grants and Subsidies:</i>			
Education of Veterans Children.....	\$ 101	\$ 101	\$ 310
Transfer to Educational Assistance Program Fund.....	9,500	9,500	12,500
Blind Veterans Pension.....	222	222	222
Amputee and Paralyzed Veterans Pension.....	3,174	3,500	3,606
National Guard Pension.....	5	5	5
Supplemental Life Insurance Premiums.....	164	164	164
Disabled American Veterans Transportation.....	336	336	336
Veterans Outreach Services.....	3,182	2,332	2,332
Subtotal.....	\$ 16,684	\$ 16,160	\$ 19,475
Total - Grants and Subsidies.....	\$ 16,684	\$ 16,160	\$ 19,475

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)			
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
STATE FUNDS.....	\$ 120,927	\$ 132,041	\$ 148,740
FEDERAL FUNDS.....	176,192	260,583	256,268
AUGMENTATIONS.....	33,725	33,165	33,269
GENERAL FUND TOTAL.....	\$ 330,844	\$ 425,789	\$ 438,277
OTHER FUNDS:			
GENERAL FUND:			
Military Family Relief Assistance	\$ 148	\$ 200	\$ 200
EDUCATIONAL ASSISTANCE PROGRAM FUND:			
National Guard Education (EA).....	\$ 2,700 ^c	\$ 3,453 ^c	\$ 282 ^c
PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:			
Veterans Memorial (EA).....	\$ 50	\$ 50	\$ 50
STATE TREASURY ARMORY FUND:			
Armory Improvements.....	\$ 2,274	\$ 2,420	\$ 2,000
VETERANS TRUST FUND:			
Grants and Assistance (EA).....	\$ 1,500	\$ 1,755	\$ 1,755
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 120,927	\$ 132,041	\$ 148,740
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	176,192	260,583	256,268
AUGMENTATIONS.....	33,725	33,165	33,269
OTHER FUNDS.....	6,672	7,878	4,287
TOTAL ALL FUNDS.....	\$ 337,516	\$ 433,667	\$ 442,564

^a Includes recommended supplemental appropriation of \$1,621,000.

^b Includes recommended supplemental appropriation of \$1,190,000.

^c Transfer to Educational Assistance Program Fund not added to the total to avoid double counting: 2014-15 Actual is \$9,500,000; 2015-16 Available is \$9,500,000; and 2016-17 Budget is \$12,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 21,810	\$ 23,957	\$ 24,539	\$ 24,780	\$ 25,024	\$ 25,270	\$ 25,518
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	107,685	187,765	187,685	187,685	187,685	187,685	187,685
OTHER FUNDS.....	2,808	2,960	2,548	2,548	2,548	2,548	2,548
SUBCATEGORY TOTAL.....	<u>\$ 132,303</u>	<u>\$ 214,682</u>	<u>\$ 214,772</u>	<u>\$ 215,013</u>	<u>\$ 215,257</u>	<u>\$ 215,503</u>	<u>\$ 215,751</u>
VETERANS HOMES							
GENERAL FUND.....	\$ 82,433	\$ 91,924	\$ 104,726	\$ 108,915	\$ 113,272	\$ 117,803	\$ 122,515
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	68,507	72,818	68,583	65,583	65,583	65,583	65,583
OTHER FUNDS.....	33,241	32,675	32,771	32,771	32,771	32,771	32,771
SUBCATEGORY TOTAL.....	<u>\$ 184,181</u>	<u>\$ 197,417</u>	<u>\$ 206,080</u>	<u>\$ 207,269</u>	<u>\$ 211,626</u>	<u>\$ 216,157</u>	<u>\$ 220,869</u>
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 16,684	\$ 16,160	\$ 19,475	\$ 19,775	\$ 19,775	\$ 19,775	\$ 19,775
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	4,348	5,408	2,237	1,955	1,955	1,955	1,955
SUBCATEGORY TOTAL.....	<u>\$ 21,032</u>	<u>\$ 21,568</u>	<u>\$ 21,712</u>	<u>\$ 21,730</u>	<u>\$ 21,730</u>	<u>\$ 21,730</u>	<u>\$ 21,730</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 120,927	\$ 132,041	\$ 148,740	\$ 153,470	\$ 158,071	\$ 162,848	\$ 167,808
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	176,192	260,583	256,268	253,268	253,268	253,268	253,268
OTHER FUNDS.....	40,397	41,043	37,556	37,274	37,274	37,274	37,274
DEPARTMENT TOTAL.....	<u><u>\$ 337,516</u></u>	<u><u>\$ 433,667</u></u>	<u><u>\$ 442,564</u></u>	<u><u>\$ 444,012</u></u>	<u><u>\$ 448,613</u></u>	<u><u>\$ 453,390</u></u>	<u><u>\$ 458,350</u></u>

Program: State Military Readiness

Goal: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to state or federal mobilization.

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to serve during emergencies. Such emergencies may result in full or partial mobilization of the Pennsylvania National Guard for state service in the commonwealth or federal service anywhere in the world. In 2014-15, the Pennsylvania National Guard units were deployed a total of 214 state active duty days for statewide emergencies. Costs for military equipment, supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the federal government.

The readiness capability of Pennsylvania National Guard units is evaluated according to established federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania National Guard in top readiness condition in order to perform state and federal

missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of numerous National Guard armories and readiness centers, support facilities, Air National Guard bases and installations. A statewide communications network is in operation providing a quicker and more effective response to state or federal mobilization.

Included within this program are those activities essential to operate a network of community armories and air bases serving as training locations for National Guard units. The commonwealth is responsible for providing for the operations, maintenance and repair of the armories and readiness centers, and air bases. These facilities may also be utilized as mass care centers for disaster victims in addition to providing meeting and recreational facilities for local civic and youth organizations.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 1,042	—to continue current program.
96	—Initiative—to provide support for the Veterans Registry.
44	—Initiative—to provide support for the Governor's Advisory Council on Veterans Services.
—600	—nonrecurring information system upgrades.
\$ 582	<i>Appropriation Increase</i>

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 21,381	\$ 23,528	\$ 24,110	\$ 24,351	\$ 24,595	\$ 24,841	\$ 25,089
Burial Detail Honor Guard	99	99	99	99	99	99	99
American Battle Monuments	50	50	50	50	50	50	50
Armory Maintenance and Repair	245	245	245	245	245	245	245
Special State Duty	35	35	35	35	35	35	35
TOTAL GENERAL FUND	\$ 21,810	\$ 23,957	\$ 24,539	\$ 24,780	\$ 25,024	\$ 25,270	\$ 25,518

Program: Veterans Homes

Goal: To provide nursing and domiciliary care for veterans.

The Department of Military and Veterans Affairs provides Pennsylvania veterans with different levels of care, including skilled nursing, dementia and domiciliary and personal care. There are six veterans homes located throughout the commonwealth: the Pennsylvania Soldiers and Sailors Home in Erie, the Hollidaysburg Veterans Home in Duncansville, the Southeastern Veterans Center in Spring City, the Gino J. Merli Veterans Center in Scranton, the Southwestern Veterans Center in Pittsburgh and the Delaware Valley Veterans Home in the County of Philadelphia.

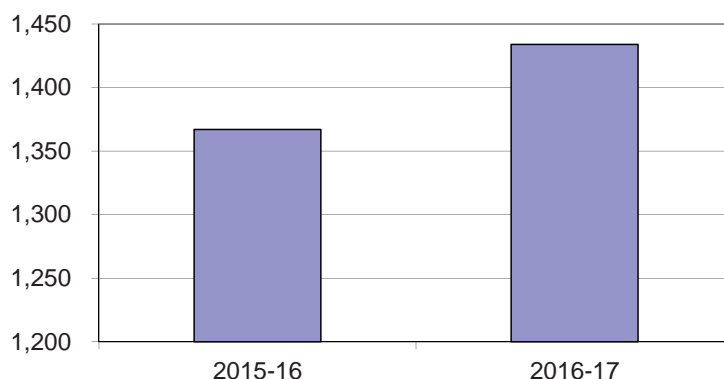
For federal fiscal year 2015, the program will receive assistance from the United States Department of Veterans Affairs (USDVA) at the rate of \$44.19 per patient day for

domiciliary and personal care, \$102.38 per patient day for skilled nursing care and \$81.56 for adult day care.

Along with federal per diem funding, residents of these state veterans homes receive a personal needs allowance from the USDVA and are charged a monthly maintenance fee that is set upon admission and recalculated annually to determine their cost of care payment obligation.

DMVA maximizes federal funds and augmentations through participation in the Enhanced Veterans Reimbursement initiative for residents eligible for Medicaid reimbursement, Medicare Part B, Medicare Part D and PACE/PACENET. Aid and attendance funding is an additional federal benefit that veterans may be eligible to receive.

Veterans Receiving Care in State Veterans Homes



Veterans receiving care at state veterans homes is projected to be 1,434 in 2016-17.

Expenditures by Institution: (Dollar Amounts in Thousands)

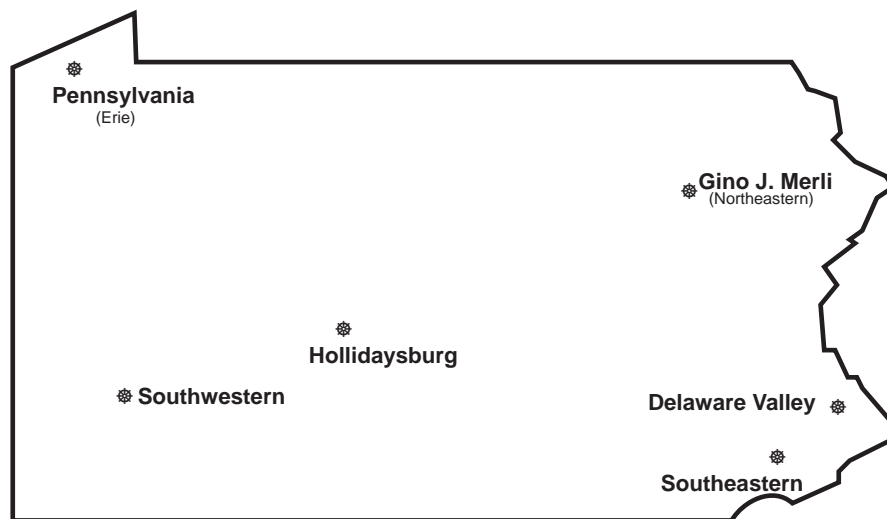
	2014-15 Actual	2015-16 Available	2016-17 Budget		2014-15 Actual	2015-16 Available	2016-17 Budget
Pennsylvania Soldiers and Sailors Home				Southwestern Veterans Center			
State Funds.....	\$ 8,350	\$ 10,400	\$ 10,366	State Funds.....	\$ 14,189	\$ 13,162	\$ 14,886
Federal Funds.....	8,153	8,416	8,433	Federal Funds.....	9,113	11,092	10,576
Augmentations.....	4,165	3,436	3,758	Augmentations.....	5,182	5,348	5,423
TOTAL.....	\$ 20,668	\$ 22,252	\$ 22,557	TOTAL.....	\$ 28,484	\$ 29,602	\$ 30,885
Hollidaysburg Veterans Home				Delaware Valley Veterans Home			
State Funds.....	\$ 24,024	\$ 27,291	\$ 30,012	State Funds.....	\$ 8,022	\$ 9,726	\$ 13,401
Federal Funds.....	20,254	20,144	19,074	Federal Funds.....	8,908	8,535	8,154
Augmentations.....	9,205	8,835	8,835	Augmentations.....	4,363	4,180	2,796
TOTAL.....	\$ 53,483	\$ 56,270	\$ 57,921	TOTAL.....	\$ 21,293	\$ 22,441	\$ 24,351
Southeastern Veterans Center				Central Veterans Homes Services			
State Funds.....	\$ 11,685	\$ 12,530	\$ 15,285	State Funds.....	\$ 7,377	\$ 8,560	\$ 9,096
Federal Funds.....	11,101	13,616	11,783	Federal Funds.....	-	-	-
Augmentations.....	5,266	5,820	6,895	Augmentations.....	-	-	-
TOTAL.....	\$ 28,052	\$ 31,966	\$ 33,963	TOTAL.....	\$ 7,377	\$ 8,560	\$ 9,096
Gino J. Merli Veterans Center							
State Funds.....	\$ 8,786	\$ 10,255	\$ 11,680				
Federal Funds.....	10,978	11,015	10,563				
Augmentations.....	5,060	5,056	5,064				
TOTAL.....	\$ 24,824	\$ 26,326	\$ 27,307				

Military and Veterans Affairs

Program: Veterans Homes (continued)

Population and Capacity				
Institution	Population Dec 2015	Projected Population Dec 2016	Projected Capacity Dec 2016	Projected Percent of Capacity
Pennsylvania Soldiers and Sailors Home.....	188	194	207	94%
Hollidaysburg Veterans Home.....	414	475	506	94%
Southeastern Veterans Center	217	254	292	87%
Gino J. Merli Veterans Center.....	178	154	156	99%
Southwestern Veterans Center	200	236	236	100%
Delaware Valley Veterans Home.....	170	121	121	100%
Total.....	1,367	1,434	1,518	94%

Veterans Homes



Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Veterans Homes
\$ 12,802 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Veterans Homes.....	\$ 82,433	\$ 91,924	\$ 104,726	\$ 108,915	\$ 113,272	\$ 117,803	\$ 122,515

Program: Compensation and Assistance

Goal: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

The Department of Military and Veterans Affairs administers several activities within this program.

Program Element: Education of Children of Deceased and Disabled Veterans

Under current law, educational grants of up to \$500 per semester are provided for children of honorably discharged veterans who have been certified as having wartime service-connected disabilities, rated as 100 percent totally and permanently disabled, or children of veterans who die or died in service during a period of war or armed conflict or hostile fire in peacetime as certified by the United States Department of Veterans Affairs (USDVA). Under current law, children must be between 16 and 23 years of age and living in Pennsylvania five years prior to application. They must also attend a school within Pennsylvania and demonstrate financial need. Currently there are 190 recipients within this program.

Program Element: Educational Assistance — National Guard

Tuition grants are provided for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Pennsylvania Higher Education Assistance Agency. Grants are available for full- and part-time students who do not possess a bachelor's degree. National Guard personnel receiving educational financial aid totals 2,474 in 2014-15 and is projected to be 3,191 in 2015-16. 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. This program had 120 recipients in 2014-15 and it is anticipated that 121 veterans will participate during 2015-16.

Program Element: Amputee and Paralyzed Veterans Pension

Pensions of \$150 per month are provided to Pennsylvania veterans who are rated by the USDVA to have a service-connected loss or loss of use of two or more extremities. In 2014-15 there were 1,775 recipients and it is anticipated that 1,889 will participate in 2015-16.

Program Element: National Guard Pension

Payment of a pension is provided to guardsmen and widowed and dependent family members. A national guardsman who is injured, otherwise disabled or dies as a result of injuries or other disability received or contracted while performing duty in active service to the commonwealth, or in the performance of other state military duty, is eligible. Current law provides for a monthly pension for dependents up to a maximum of \$300 per month for a period of 10 years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age.

Program Element: Supplemental Life Insurance Premiums

DMVA pays or reimburses the cost, not otherwise paid for by the federal government, of service members' group life insurance premiums for eligible soldiers and airmen of the Pennsylvania National Guard.

Program Element: Veterans Outreach Services

The Veterans Service Organizations grant program provides grants to organizations for the improvement of the administration and delivery of services to Pennsylvania veterans. Grants are used solely to support accredited veterans services officers and the associated costs, including: wages, benefits, other compensation and related personnel costs; training provided by accredited veterans services advocacy staff; and equipment to be used by accredited veterans services officer staff. The American Legion, American Veterans, Veterans of Foreign Wars and Disabled American Veterans are designated to receive grants under this program. Other veterans organizations, which are members of the State Veterans Commission, may also be designated to receive grant funding. Veterans Service Officers processed 14,491 claims in 2014-15 and it is projected that 15,635 claims will be processed in 2015-16.

Program Element: Persian Gulf Conflict Veterans Benefit Program

Veterans and beneficiaries of deceased veterans may receive compensation of a one-time benefit of \$75 per month for each month of active service in the Persian Gulf Conflict Theater of Operations (August 1990 – August 1991). The maximum compensation is \$525. An additional one-time benefit of \$5,000 will be received if the service member was declared a prisoner of war while on active service in the Persian Gulf Conflict. Beneficiaries of deceased veterans may also receive an additional \$5,000

Program: Compensation and Assistance (continued)

if the service member died while on active service or died as a result of injury or illness sustained in the Persian Gulf Conflict Theater. This program had 552 recipients in 2014-15 and it is anticipated 500 will receive this benefit in 2015-16.

Program Element: Disabled Veterans Real Estate Tax Exemption Program

This program provides a real estate tax exemption for any honorably discharged veteran who is determined by the USDVA to be 100 percent permanently disabled. The veteran must be a resident of the commonwealth with a financial need who served during established war or armed conflict service dates and who resides in the property subject to the exemption as his or her principal dwelling. This exemption is extended to the unmarried

surviving spouse upon the death of an eligible veteran provided that the State Veterans Commission determines that such person is in need of the exemption. In 2014-15, 8,578 residences of disabled Veterans and spouses were exempt and it is anticipated 10,000 will receive the benefit in 2015-16.

Program Element: Military Family Relief Assistance Program

The Military Family Relief Assistance Program was created to provide for short-term financial relief to families in need due to deployment of a family member. This program is funded through contributions from state income tax return check-offs and donations. The program has since been extended until January 1, 2018.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	209	Education of Veterans Children	\$	3,000	Transfer to Educational Assistance Program Fund
		—Initiative - for increased education gratuity payments and improved eligibility requirements.			—to continue current program.
\$	106	Amputee and Paralyzed Veterans Pension			
		—to continue current program.			

Grants and Assistance (EA) through the Veterans Trust Fund is recommended at the current year funding level to allow for use of donations to cover program costs.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Education of Veterans Children.....	\$ 101	\$ 101	\$ 310	\$ 310	\$ 310	\$ 310	\$ 310
Transfer to Educational Assistance Program Fund.....	9,500	9,500	12,500	12,800	12,800	12,800	12,800
Blind Veterans Pension	222	222	222	222	222	222	222
Amputee and Paralyzed Veterans Pension	3,174	3,500	3,606	3,606	3,606	3,606	3,606
National Guard Pension	5	5	5	5	5	5	5
Supplemental Life Insurance Premiums....	164	164	164	164	164	164	164
Disabled American Veterans Transportation.....	336	336	336	336	336	336	336
Veterans Outreach Services.....	3,182	2,332	2,332	2,332	2,332	2,332	2,332
TOTAL GENERAL FUND	\$ 16,684	\$ 16,160	\$ 19,475	\$ 19,775	\$ 19,775	\$ 19,775	\$ 19,775
VETERANS TRUST FUND:							
Grants and Assistance (EA)	\$ 1,500	\$ 1,755	\$ 1,755	\$ 1,755	\$ 1,755	\$ 1,755	\$ 1,755

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: State Military Readiness

Objective: Maintain the strength and readiness of the Pennsylvania Army National Guard.

Pennsylvania Army National Guard End Strength Ceiling	15,273	16,030	16,030	16,030	16,030	16,030	16,030
Pennsylvania Army National Guard Assigned	15,800	15,860	16,030	16,030	16,030	16,030	16,030
Percentage of Pennsylvania Army National Guard Current Strength	103%	99%	100%	100%	100%	100%	100%
Department of Defense personnel receiving training at Fort Indiantown Gap	118,900	120,700	120,700	120,700	120,700	120,700	120,700
Non-Department of Defense personnel receiving training at Fort Indiantown Gap	7,822	9,240	9,240	9,240	9,240	9,240	9,240

Objective: Maintain the strength and readiness of the Pennsylvania Air National Guard.

Pennsylvania Air National Guard End Strength Ceiling	4,169	4,170	4,170	4,170	4,170	4,170	4,170
Pennsylvania Air National Guard Assigned	3,962	4,000	4,100	4,100	4,100	4,100	4,100
Percentage of the Pennsylvania Air National Guard Current Strength	95%	96%	98%	98%	98%	98%	98%

Objective: Maintain a network of facilities and Air National Guard bases that provide a professional working environment, assure cost effectiveness and establish the National Guard as a good neighbor.

Percentage of armories and field sites rated adequate to satisfy the mission	53%	53%	57%	60%	63%	65%	65%
Readiness centers and field sites under major repair	28	35	31	12	5	1	0

Program: Veterans Homes

Objective: Improve access and continuity of services for aging veterans by identifying the number of veterans in each level of elder care, increasing applications for federal and state benefits by 10%, providing transition assistance as additional care is needed and assuring that federal benefits and resources are applied to pay the cost of care affording aging veterans an improved quality of life.

Total Veterans 65 and older	478,256	473,400	464,300	455,500	443,700	432,900	423,100
Veterans 65 and older with compensation or Pension from USDVA	61,784	68,000	71,400	72,800	74,200	75,700	77,200
Percentage of Veteran population 65 and older	51%	52%	52%	52%	52%	52%	52%

Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Compensation and Assistance

Objective: Improve access and increase by 5% the number of eligible veterans and family members who receive federal, state and local benefits by expanding geographically-centered outreach, locating and linking eligible veterans to programs that deliver the benefits they earned while providing referrals to other available programs that fulfill unmet needs.

Veterans population accessing state/federal programs	4%	4%	4%	5%	5%	5%	5%
Veterans in Pennsylvania	939,069	916,600	894,700	873,300	852,400	831,900	812,100
Burial Honors Program	2,690	2,820	2,820	2,820	2,820	2,820	2,820
Number of veterans with temporary assistance	585	605	605	605	605	605	605
New Federal Claims - for Pennsylvania Veterans	7,582	7,860	7,960	7,960	7,960	7,960	7,960

Objective: Increase placement and referral opportunities of transitioning service members, veterans and Pennsylvania reservists by 10% for behavioral health, education/training and career placement services while establishing DMVA as the executive lead in data tracking, program monitoring and coordinating veteran programs being offered by the commonwealth through collaborative resourcing and reporting efforts with other departments and agencies.

National Guard personnel receiving educational financial aid	2,474	3,190	3,300	3,300	3,300	3,300	3,300
National Guard personnel receiving Medical and Health Officer incentives	33	35	35	30	30	25	20
Number of Veterans assisted in this area through Veterans Trust Fund grants	7,000	8,500	10,000	10,000	10,000	10,000	10,000



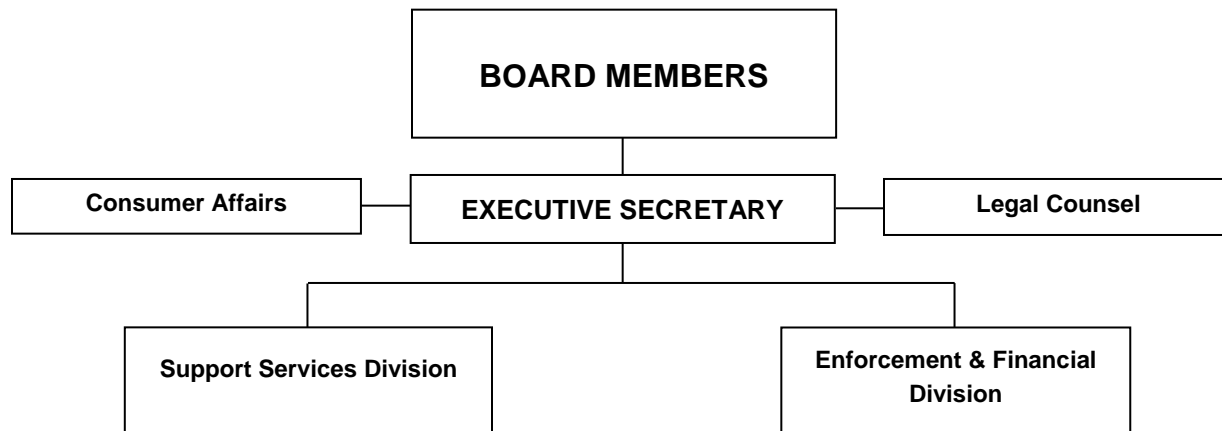
MILK MARKETING BOARD

The mission of the Milk Marketing Board is to ensure that Pennsylvania's dairy industry remains viable by providing a regulatory environment that facilitates a safe, adequate supply of wholesome milk while providing security for its dairy farmers and milk dealers and protection for the public health and welfare of consumers.

Programs and Goals

Milk Industry Regulation: *To maintain an adequate supply of wholesome fluid milk.*

Organization Overview



- **Support Services Division Chief** is responsible for the administrative support services for the board, including fiscal and human resources oversight. Responsibilities also include licensing and bonding of dealers and subdealers.
- **Enforcement Director** is responsible for directing the Milk Marketing Auditors and the Milk Marketing Examiners in enforcing all official general orders, policies of the board, and compliance with the Milk Marketing Law and Board regulations. The division is also responsible for gathering, compiling, and interpreting financial and accounting information used by the board in hearings and other administrative proceedings; for issuing price announcements, and responding to violations of the minimum retail, wholesale, and farm-level prices issued by the board.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
33	33	32	32	28

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>OTHER FUNDS:</u>			
MILK MARKETING FUND:			
General Operations.....	\$ 2,840	\$ 2,840	\$ 2,840

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,840	2,840	2,840	2,840	2,840	2,840	2,840
SUBCATEGORY TOTAL.....	<u>\$ 2,840</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>	<u>\$ 2,840</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	2,840	2,840	2,840	2,840	2,840	2,840	2,840
DEPARTMENT TOTAL.....	<u><u>\$ 2,840</u></u>	<u><u>\$ 2,840</u></u>	<u><u>\$ 2,840</u></u>	<u><u>\$ 2,840</u></u>	<u><u>\$ 2,840</u></u>	<u><u>\$ 2,840</u></u>	<u><u>\$ 2,840</u></u>

Program: Milk Industry Regulation

Goal: To maintain an adequate supply of wholesome fluid milk.

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines. The board supervises, inspects and regulates the milk industry of the commonwealth and establishes reasonable trade control and marketing practices. It formulates policy, holds public hearings and subsequently issues and enforces general marketing orders, rules and regulations. The board also handles prosecution and levying of penalties against violators of the Milk Marketing Law, the Milk Producers' Security Act and board regulations.

The board's major function is to ensure an adequate milk supply by setting minimum prices paid to farmers, minimum prices dealers can charge wholesale and retail customers, and minimum prices stores can charge consumers. The regulation process is complicated by the existence of federal marketing orders, which are prices

established by the federal government that must be paid to producers.

The board has implemented an automated milk accounting and regulatory system. The system values milk based on component pricing, allowing adaptation to changes in the state and federal regulatory environment. Pricing information collected through the system and from public hearings is used by the board to establish minimum milk prices.

The board had previously considered the ratio of the supply of milk fluid to demand in the regulation process, but other indicators are more relevant to the process and that ratio is no longer calculated. Factors such as the price of milk in neighboring states and the ratio of the cost of production to current or expected prices are more important to price establishment and are widely discussed at the public meetings.

Program Recommendation:

This budget recommends the following changes from the Milk Marketing Fund:
(Dollar Amounts in Thousands)

General Operations is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
MILK MARKETING FUND:							
General Operations	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840	\$ 2,840

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Milk Industry Regulation

Objective: Maintain producer payment compliance above 99% for all payment amounts due to Pennsylvania dairy farmers.

Percentage of producer payments made adequately and on time	99%	99%	99%	99%	99%	99%	99%
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Objective: Establish a Class 1 over-order premium based upon industry testimony which enhances Pennsylvania producer revenue that also maintains orderly milk marketing in Pennsylvania.

Public hearings held to consider the level and duration of the Class 1 over-order premium	2	2	2	2	2	2	2
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Objective: Include current dealer and retail store costs in minimum resale prices.

General and cost replacement hearings held to determine dealer and retailer costs	6	6	6	6	6	6	6
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Objective: Licenses and permits issued

Licenses and permits issued	2,202	2,200	2,200	2,200	2,200	2,200	2,200
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Objective: Audits of milk dealers for compliance with milk sales rules and regulations.

Audits of milk dealers for compliance with milk sales rules and regulations	1,046	1,000	1,000	1,000	1,000	1,000	1,000
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PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

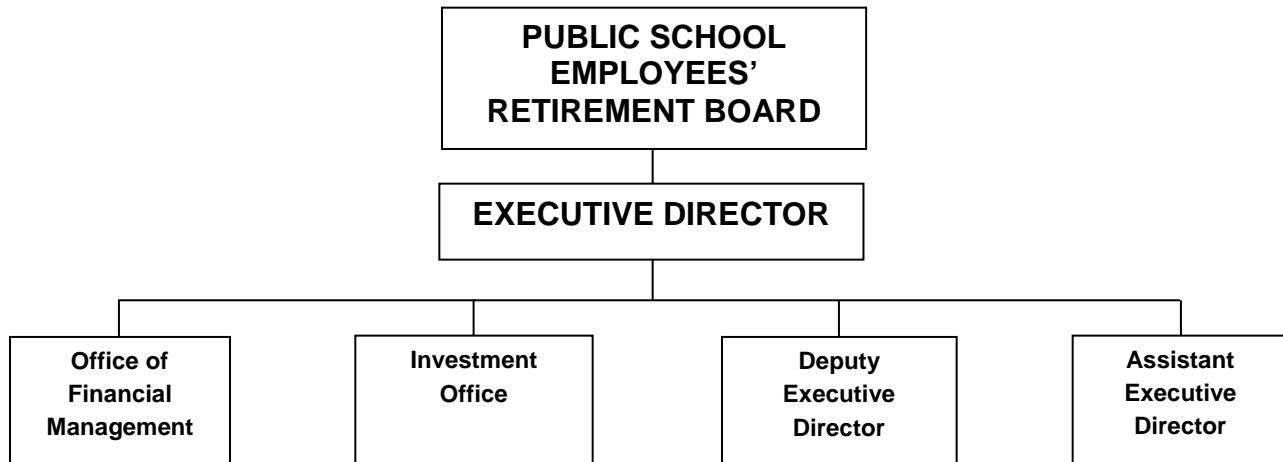
The mission of the Public School Employees' Retirement System is to serve the members and stakeholders of the system by providing timely and accurate payment of benefits, maintaining a financially sound system, prudently investing the assets of the system, clearly communicating members' and employers' 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 Goals

Public School Employees' Retirement: *To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.*

Organization Overview



- **Office of Financial Management** is responsible for planning, organizing and directing a complete accounting and financial reporting system in conformance with generally accepted accounting principles. Oversight is provided for new systems development and maintenance of existing systems, and ensuring appropriate accounting controls. The office is the liaison for other state and federal agencies, reporting units, financial consultants, actuaries, and investment advisors for all accounting matters.
- **Investment Office** is responsible for the investment activities of the system. In accordance with the investment policy established by the board, PSERS' investment assets are allocated to numerous outside professional investment advisors and internal investment professionals.
- **Deputy Executive Director** directly oversees the benefit programs for all active and retired members of the system, the development and implementation of the member and employer communications programs and the member counseling programs, and the maintenance of agency policies, procedures, and benefit-related data. Additionally, this position supervises a Chief Information Officer who oversees business and information technology strategic planning, policy development, and implementation. The organizational units directly reporting to this position include the Bureau of Benefits Administration, the Bureau of Communications and Counseling, and the Information Technology Office.
- **Assistant Executive Director** administers the Health Options and Premium Assistance programs in addition to the facilities, human resources, and procurement activities necessary to support, secure and optimize agency operations. Organizational units overseen by the Assistant Executive Director include the Bureau of Administration, the Human Resources Office, and the Health Insurance Office.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
310	310	314	314	316

Public School Employees' Retirement System

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
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OTHER FUNDS:

SCHOOL EMPLOYEES' RETIREMENT FUND:

Administration.....	\$ 39,417	\$ 44,011	\$ 45,115
Investment Related Expenses.....	21,157	16,508	18,637
Health Insurance Account.....	2,185	2,226	2,293
(A)Health Options - Administration Reimbursement.....	3,242	3,135	3,366
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 66,001	\$ 65,880	\$ 69,411

Public School Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PUBLIC SCHOOL EMPLOYEES' RETIREMENT							
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.....	66,001	65,880	69,411	70,105	70,806	71,513	72,229
SUBCATEGORY TOTAL.....	<u>\$ 66,001</u>	<u>\$ 65,880</u>	<u>\$ 69,411</u>	<u>\$ 70,105</u>	<u>\$ 70,806</u>	<u>\$ 71,513</u>	<u>\$ 72,229</u>
ALL PROGRAMS:							
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.....	66,001	65,880	69,411	70,105	70,806	71,513	72,229
DEPARTMENT TOTAL.....	<u><u>\$ 66,001</u></u>	<u><u>\$ 65,880</u></u>	<u><u>\$ 69,411</u></u>	<u><u>\$ 70,105</u></u>	<u><u>\$ 70,806</u></u>	<u><u>\$ 71,513</u></u>	<u><u>\$ 72,229</u></u>

Public School Employees' Retirement System

Program: Public School Employees' Retirement

Goal: To provide retirement benefits to public school employees of the Commonwealth of Pennsylvania.

The Public School Employees' Retirement System (PSERS) was established in 1917 to administer retirement benefits of eligible public school employees in any of the 784 reporting entities. The School Employees' Retirement Fund uses contributions from employees and their employers as well as earning from investments to pay for annuities, disability benefits and administration of the system. The School Employees' Retirement Fund is shown in the Other Special Funds Appendix.

PSERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, PSERS develops the recommended employer contribution rate. Normal retirement for most public school employees is at age 60, or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at superannuation retirement.

PSERS continues its efforts to provide retirement benefits in an efficient manner through a one-step process. Approximately 90 percent of the retirement benefits processed in 2014-15 were paid in one-step. In the past, PSERS processed most initial retirements in two steps. The first step was the calculation and payment of an estimated monthly benefit and the second step was the calculation and payment of a finalized monthly benefit which occurred later. In addition, the average number of days to process a retirement benefit decreased from an average of 23.7 days in 2013-14 down to 19.1 days in 2014-15. This decrease is largely attributed to the continued focus of reviewing member accounts at periodic

milestones and event triggers to ensure each detail of a member's account is accurately portrayed prior to the member applying for retirement. In 2014-15, PSERS' Pension and Healthcare Premium Assistance benefit payments totaled \$6.38 billion.

PSERS' investment portfolio is well diversified to emphasize a long-term investment approach. The overall objective of the System is to provide benefits to its members through a carefully planned and well-executed investment program. The return objectives are to (i) realize a return that exceeds the Policy Index (the Policy Index is a custom benchmark, based on the Board-established asset allocation structure that seeks to generate a return that meets the actuarial rate of return assumption); and (ii) invest the assets to maximize returns for the level of risk taken.

PSERS' technology upgrade from the existing "classic" version to a new "browser-based" version not only helps ensure the viability of PSERS' core pension administration system into the future, it provides an enhanced "baseline" platform with built-in features that will make future business process and member self-service enhancements much easier to implement. These enhancements will have a significant impact on PSERS' members and employers in how they interact with the System and the services that are available to them.

PSERS is also responsible for the administration of the School Retirees' Health Insurance Fund that provides premium assistance benefits to retirees. The School Retirees' Health Insurance Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

SCHOOL EMPLOYEES' RETIREMENT FUND School Employees' Retirement Administration

\$ 1,104 —to continue current program.

The School Employees' Retirement Administration appropriation includes \$2,000,000 in continued support for the Information Technology Upgrade Initiative. 2016-17 will be the fifth year of the six year project.

In addition, \$18,637,000 in Investment Related Expenses will be used to support the program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
SCHOOL EMPLOYEES' RETIREMENT FUND:							
Administration.....	\$ 39,417	\$ 44,011	\$ 45,115	\$ 45,566	\$ 46,022	\$ 46,482	\$ 46,947
Investment Related Expenses	21,157	16,508	18,637	18,823	19,011	19,201	19,393
Health Insurance Account.....	2,185	2,226	2,293	2,316	2,339	2,362	2,386
(A)Health Options - Administration Reimbursement.....	3,242	3,135	3,366	3,400	3,434	3,468	3,503
TOTAL SCHOOL EMPLOYEES' RETIREMENT FUND	\$ \$66,001	\$ 65,880	\$ 69,411	\$ 70,105	\$ 70,806	\$ 71,513	\$ 72,229

Public School Employees' Retirement System

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Public School Employees' Retirement

Objective: Increase members' cognitive awareness of PSERS benefits.

Total number of members counseled	8,360	9,500	9,300	9,300	9,300	9,300	9,300
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Objective: Provide timely and accurate retirement benefit payments.

Total number of retired employees (annuitants), beneficiaries, and survivor annuitants	224,416	231,773	238,544	244,440	249,669	254,291	258,379
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Total Pension and Healthcare Premium Assistance benefit payments (in billions)	\$6.38	\$6.65	\$6.90	\$7.14	\$7.38	\$7.61	\$7.85
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PUBLIC UTILITY COMMISSION

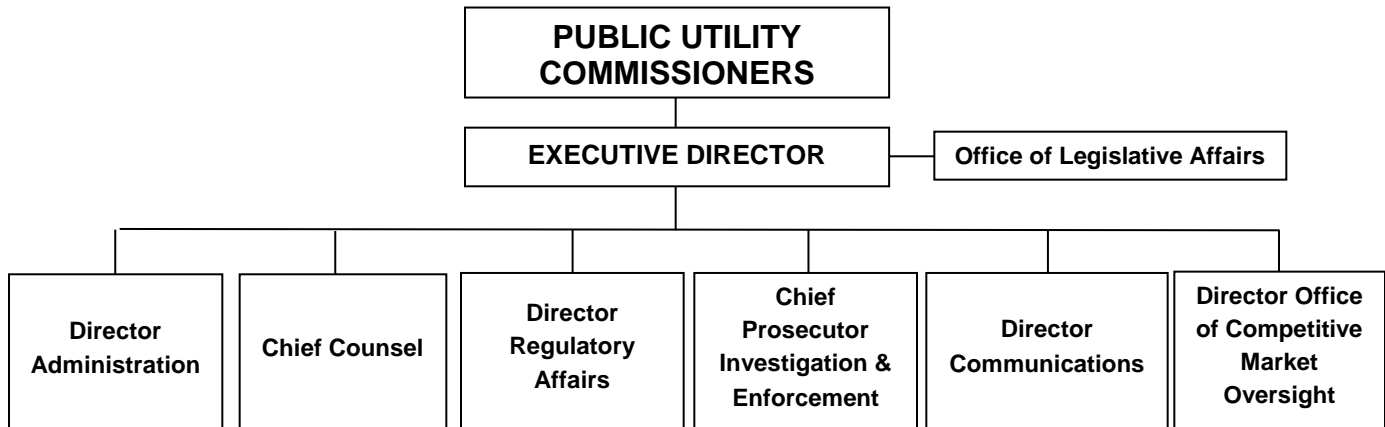
The mission of the Public Utility Commission is to provide for regulation of public utilities and includes establishing reasonable rates, providing for safe service, conducting audits, and ensuring compliance with public utility regulations.

The commission is comprised of five members appointed by the governor with senate confirmation.

Programs and Goals

Regulation of Public Utilities: *To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.*

Organization Overview



- **Director of Administration** is responsible for overseeing the Secretary's Bureau and all fiscal, administrative and personnel functions including the budget, collection of assessments, and all human resources, information technology, and procurement functions.
- **Chief Counsel** oversees the Law Bureau and provides legal support to other commission bureaus and the commission directly on regulatory matters involving fixed utilities and common carriers. Law bureau attorneys represent the commission in all appellate and original jurisdiction actions before state and federal courts.
- **Director of Regulatory Affairs** oversees the PUC's bureaus with regulatory functions, including the Bureau of Audits, the Bureau of Consumer Services, the Bureau of Technical Utility Services, the Office of Special Assistants and the Office of Administrative Law Judge. The Director of Regulatory Affairs also is responsible for planning, organizing, coordinating, directing and overseeing regulatory staff.
- **Chief Prosecutor of Investigation & Enforcement** oversees the Bureau of Investigation and Enforcement that serves as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge, and enforcing compliance with the state and federal motor carrier safety and gas safety laws and regulations.
- **Director of the Office of Communications** is accountable for commission media relations, employee communications and consumer education, in addition to acting as the lead staff for the Consumer Advisory Council.
- **Director of the Office of Competitive Market Oversight** serves as the commission's electric retail choice ombudsman. In this capacity, the office will oversee the development and functioning of the competitive retail electric supply market. The office also similarly monitors the retail natural gas supply market.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
519	532	520	520	503

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 64,571	\$ 69,640	\$ 71,101
(F)Natural Gas Pipeline Safety.....	1,897	2,095	1,425
(F)Motor Carrier Safety.....	1,888	966	1,255
Subtotal - Federal Funds.....	3,785	3,061	2,680
Subtotal - Restricted Revenues.....	64,571	69,640	71,101
Total - General Government.....	<u>\$ 68,356</u>	<u>\$ 72,701</u>	<u>\$ 73,781</u>
FEDERAL FUNDS.....	3,785	3,061	2,680
RESTRICTED REVENUES.....	64,571	69,640	71,101
GENERAL FUND TOTAL.....	<u>\$ 68,356</u>	<u>\$ 72,701</u>	<u>\$ 73,781</u>
OTHER FUNDS:			
MARCELLUS LEGACY FUND:			
Transfer to Highway Bridge Improvement.....	\$ 20,550	\$ 16,851	\$ 16,777
Transfer to Environmental Stewardship Fund.....	43,220	26,740	41,711
Transfer to Hazardous Sites Cleanup Fund.....	4,110	8,370	18,355
County Recreational Planning, Development and Rehabilitation.....	12,330	10,110	10,066
Transfer to Commonwealth Financing Authority-H2O.....	10,275	11,000	8,389
Transfer to Commonwealth Financing Authority.....	16,440	13,481	13,422
MARCELLUS LEGACY FUND TOTAL.....	<u>\$ 106,925</u>	<u>\$ 86,552</u>	<u>\$ 108,720</u>
UNCONVENTIONAL GAS WELL FUND:			
Gas Well Fee Administration.....	\$ 1,000	\$ 1,000	\$ 1,000
Conservation District Grants.....	3,750	3,844	3,940
Transfer to Conservation District Fund.....	3,750	3,844	3,940
Transfer to Housing Affordability & Rehab Enhancement Fund.....	8,394	5,000	5,000
Host Counties.....	42,588	34,598	34,438
Host Municipalities.....	40,377	35,559	35,395
Local Municipalities.....	31,941	25,948	25,829
Transfer to Marcellus Legacy Fund.....	82,200	67,403	67,108
UNCONVENTIONAL GAS WELL FUND TOTAL.....	<u>\$ 214,000</u>	<u>\$ 177,196</u>	<u>\$ 176,650</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	3,785	3,061	2,680
RESTRICTED.....	64,571	69,640	71,101
OTHER FUNDS.....	320,925	263,748	285,370
TOTAL ALL FUNDS.....	<u>\$ 389,281</u>	<u>\$ 336,449</u>	<u>\$ 359,151</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
REGULATION OF PUBLIC UTILITIES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,785	3,061	2,680	2,680	2,680	2,680	2,680
OTHER FUNDS.....	385,496	333,388	356,471	357,182	357,900	358,625	359,358
SUBCATEGORY TOTAL.....	<u>\$ 389,281</u>	<u>\$ 336,449</u>	<u>\$ 359,151</u>	<u>\$ 359,862</u>	<u>\$ 360,580</u>	<u>\$ 361,305</u>	<u>\$ 362,038</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,785	3,061	2,680	2,680	2,680	2,680	2,680
OTHER FUNDS.....	385,496	333,388	356,471	357,182	357,900	358,625	359,358
DEPARTMENT TOTAL.....	<u><u>\$ 389,281</u></u>	<u><u>\$ 336,449</u></u>	<u><u>\$ 359,151</u></u>	<u><u>\$ 359,862</u></u>	<u><u>\$ 360,580</u></u>	<u><u>\$ 361,305</u></u>	<u><u>\$ 362,038</u></u>

Program: Regulation of Public Utilities

Goal: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.

The Pennsylvania Public Utility Commission balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

The commission regulates approximately 8,000 entities providing electricity, natural gas, steam heat, water, wastewater collection and disposal, telephone, transportation of passengers and property by train, bus, truck, taxicab and limousine and transmission of gas and oil by pipeline.

Regulated Utilities-Fixed	2013-14	2014-15	2015-16
Electric Distribution	16	16	16*
Electric Generation	241	250	250*
Transportation	7,700	7,200	7,200*
Rate Requests Received	60	56	55*
Rate Cases Completed	40	42	42*

* Estimated

The commission is funded by assessments on regulated public utilities, pipeline operators, electric generation and natural gas suppliers. 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. The commission also receives and distributes funding under Act 13 of 2012 – unconventional gas well impact fees. Gas well impact fees are distributed to counties and municipalities where wells are located to address local environmental impacts. Impact fees are also distributed statewide for recreation, conservation, and environmental stewardship as well as flood control, water and sewer projects.

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 works to develop competitive markets in the electric, telecommunications, and natural gas industries by promptly and effectively addressing anti-competitive activity. Greater public awareness and understanding of the public utility industry and how it

affects customers is critical. Policies that encourage public utilities to operate in the most environmentally compatible, safe, fair, and cost-effective manner are established. Additional policies will be established to manage the replacement and repair of our aging water delivery, natural gas, and electric systems. 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 to ensure Pennsylvania's seven largest electric distribution companies develop energy efficiency and conservation plans and use other methods of reducing the amount of electricity consumed by residential and business consumers. Other directives 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 which establish 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

Consumer Services	2013-14	2014-15	2015-16
Complaints Received, Investigated and Resolved	107,000	110,300	110,000*
Homes Eligible to Participate in Electric Deregulation	5,110	5,130	5,150*
Businesses Eligible to Participate in Electric Deregulation	702	724	730*

* Estimated

call activity to the commission due to this law continues.

The commission enforces the law that 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

Program: Regulation of Public Utilities (continued)

Protection to effectively carry out this law. The commission has contracted with an alternative energy credit program administrator as part of the implementation. All electric distribution companies and electric generation suppliers complied with these requirements for the 2014 reporting year.

Telecommunication public utilities continue network modernization and deployment of high-speed internet service. The rollout will ensure broadband capabilities become available to and remain accessible to businesses and consumers throughout Pennsylvania. The commission continues to ensure the telecommunication public utilities adhere to established schedules and federal standards.

The Energy Policy Act established a number of new federal mandates that state regulators are required to consider and potentially implement. These include standardizations for connecting electric generation facilities with the utility, compensation of retail customers for generated electricity sold back to the utility and policies concerning reduction or shifting of consumption from peak periods.

The commission continues with oversight of the development and functioning of the competitive retail electric supply market. The retail markets investigation provided a regulatory framework that encourages electric

generation suppliers to invest in Pennsylvania's retail electric market. Work continues to ensure that citizens have access to a robust competitive market in which consumers have the choice of different competitive pricing options and a variety of innovative product offerings. The commission also launched a retail markets investigation of the natural gas industry in order to increase the availability of options for consumers to shop for natural gas.

The commission is also empowered to enforce federal pipeline safety laws as they relate to non-public utility gas and hazardous liquids pipeline equipment and facilities within Pennsylvania.

Act 11 of 2012 allows jurisdictional water and wastewater, natural gas and electric utilities to petition the commission for approval to implement a distribution system improvement charge (DSIC) to fund infrastructure upgrades. The commission established procedures for implementing DSIC for utilities; filing long-term infrastructure improvement plans; revising the method used to fix the value of and return on the property for ratemaking purposes; establishing procedures for the use of a fully-projected test year in base rate proceedings; allowing utilities to combine for ratemaking purposes different types of utility service; and establishing customer protections and notifications.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations
\$ 1,461 —to continue current program.

In addition, this budget includes distributions of \$108,720,000 from the Marcellus Legacy Fund and \$176,650,000 from the Unconventional Gas Well Fund in accordance with Act 13 of 2012.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 64,571	\$ 69,640	\$ 71,101	\$ 71,812	\$ 72,530	\$ 73,255	\$ 73,988

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Regulation of Public Utilities							
Objective: Maintain safe and reliable utility services at affordable rates for consumers.							
Utilities Regulated							
Audits conducted - Fixed utilities:							
Special	176	180	190	200	210	220	230
Management	8	10	9	9	9	9	9
Audits conducted - Enforcement/investigations:							
Gas Safety	1,388	850	950	1,150	1,250	1,350	1,450
Audits conducted - Transportation:							
Rail safety	1,683	1,800	1,800	1,800	1,800	1,800	1,800
Motor safety	13,520	14,000	14,000	15,000	15,000	15,000	15,000

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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.

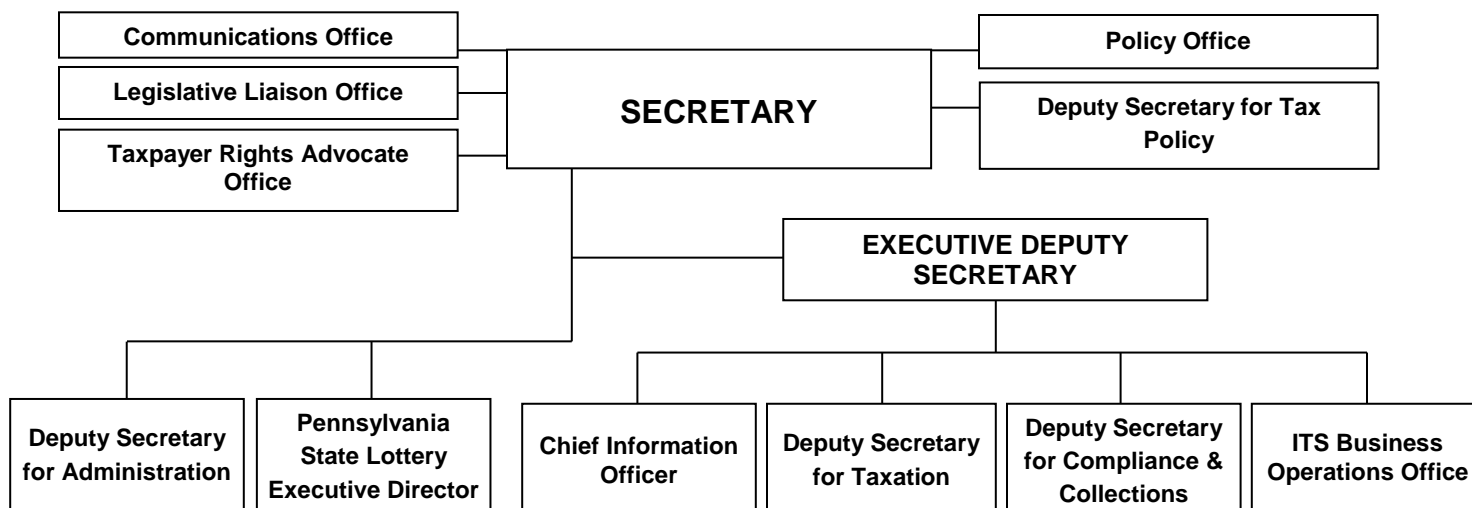
Programs and Goals

Revenue Collection and Administration: *To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.*

Community Development and Preservation: *To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.*

Homeowners and Renters Assistance: *To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.*

Organization Overview



- **Deputy Secretary for Administration** oversees the Gaming Office and the Budget Office. The Deputy is also responsible for the bureaus of Human Resources, Administrative Services and Imaging and Document Management.
- **Pennsylvania State Lottery Executive Director** is responsible for the oversight of the Lottery's Security Office and the deputy executive directors for Administration and Finance, Marketing and Product Development, and Retailer Operations.
- **Deputy Secretary for Tax Policy** is responsible for the Board of Appeals and oversees the bureaus of Research and Audits and the Economic Development Coordinator.
- **Deputy Secretary for Taxation** oversees the Taxpayer Services and Information Center. The Deputy is also responsible for the bureaus of Corporation Taxes, Motor and Alternative Fuel Taxes, Individual Taxes, and Business Trust Fund Taxes.
- **Deputy Secretary for Compliance and Collections** is responsible for the Pass Through Business Office and the bureaus of Criminal Tax Investigations; Enforcement, Planning, Analysis and Discovery; Collections and Taxpayer Services; and Compliance.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
2,128	2,128	2,012	2,001	2,046

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 129,538	\$ 135,561 ^a	\$ 148,567
(A)Cigarette Fines and Penalties.....	34	37	37
(A)Cigarette Tax Enforcement.....	0	450	450
(A)Services to Special Funds.....	11,157	11,498	11,413
(A)EDP and Staff Support.....	6,940	6,337	8,069
(A)Tax Information.....	771	775	775
(A)Local Sales Tax.....	3,311	3,972	3,856
(A)Small Games of Chance.....	276	205	250
(A)Reimbursed Costs from Other Agencies.....	1,017	1,350	1,100
(A)BTFT - Fines and Penalties.....	70	177	100
(A)RTT Local Collection.....	186	154	175
(A)Enhanced Revenue Collections.....	25,000	25,000	25,000
(A)Prepaid Wireless E-911.....	5	10	5
(A)HR Consolidation Reimbursement.....	208	200	200
(A)Cost of Collecting Philadelphia Cigarette Tax.....	829	1,780	1,896
(A)Sales of Automobiles.....	4	0	0
Commissions - Inheritance & Realty Transfer Taxes (EA).....	7,975	8,244	8,646
Technology and Process Modernization.....	8,000	6,500	6,500
Subtotal - State Funds.....	\$ 145,513	\$ 150,305	\$ 163,713
Subtotal - Augmentations.....	49,808	51,945	53,326
Total - General Government.....	\$ 195,321	\$ 202,250	\$ 217,039
<i>Grants and Subsidies:</i>			
Distribution of Public Utility Realty Tax.....	\$ 30,834	\$ 32,376	\$ 30,677
STATE FUNDS.....	\$ 176,347	\$ 182,681	\$ 194,390
AUGMENTATIONS.....	49,808	51,945	53,326
GENERAL FUND TOTAL.....	\$ 226,155	\$ 234,626	\$ 247,716
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Collections - Liquid Fuels Tax.....	\$ 15,695	\$ 18,076	\$ 19,299
(F)Federal Fuel Tax Evasion Project (EA).....	255	250	250
Subtotal - State Funds.....	\$ 15,695	\$ 18,076	\$ 19,299
Subtotal - Federal Funds.....	255	250	250
Total - General Government.....	\$ 15,950	\$ 18,326	\$ 19,549
<i>Refunds:</i>			
Refunding Liquid Fuels Tax (EA).....	\$ 16,000	\$ 18,000	\$ 19,200
STATE FUNDS.....	\$ 31,695	\$ 36,076	\$ 38,499
FEDERAL FUNDS.....	255	250	250
MOTOR LICENSE FUND TOTAL.....	\$ 31,950	\$ 36,326	\$ 38,749
LOTTERY FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 36,006	\$ 45,428	\$ 51,625
(A)License Fees.....	145	150	150
(A)Annuity Assignment Fees.....	15	13	15
(A)Sale of Automobiles.....	0	13	15
Lottery Advertising (EA).....	40,004	44,000	44,000
Property Tax Rent Rebate - General Operations (EA).....	13,558	14,909	15,224
On-Line Vendor Commissions (EA).....	39,010	39,854	42,522
Instant Vendor Commissions (EA).....	31,907	34,015	31,625

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)			
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Payment of Prize Money (EA).....	359,353	297,099	298,958
Loan Repayment to General Fund (EA).....	0	50,000	0
Subtotal - State Funds.....	\$ 519,838	\$ 525,305	\$ 483,954
Subtotal - Augmentations.....	160	176	180
Total - General Government.....	<u>\$ 519,998</u>	<u>\$ 525,481</u>	<u>\$ 484,134</u>
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 278,250	\$ 285,200	\$ 289,900
STATE FUNDS.....	\$ 798,088	\$ 810,505	\$ 773,854
AUGMENTATIONS.....	160	176	180
LOTTERY FUND TOTAL.....	<u>\$ 798,248</u>	<u>\$ 810,681</u>	<u>\$ 774,034</u>
OTHER FUNDS:			
RACING FUND:			
Collections - State Racing (EA).....	\$ 0	\$ 237	\$ 237
GENERAL FUND:			
Host Municipality Tavern Games Local Share Account.....	\$ 4	\$ 83	\$ 58
PROPERTY TAX RELIEF FUND:			
Transfer to the State Lottery Fund.....	\$ 0 ^b	\$ 0 ^b	\$ 0 ^b
STATE GAMING FUND:			
General Government:			
(R)General Operations.....	\$ 9,513	\$ 9,513	\$ 9,513
OTHER FUNDS:			
STATE GAMING FUND:			
Transfer to Compulsive/Problem Gambling Treatment Fund (EA).....	\$ 0 ^c	\$ 0 ^c	\$ 0 ^c
Transfer to the Property Tax Relief Fund (EA).....	0 ^d	0 ^d	0 ^d
STATE GAMING FUND TOTAL.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 176,347	\$ 182,681	\$ 194,390
SPECIAL FUNDS.....	829,783	846,581	812,353
FEDERAL FUNDS.....	255	250	250
AUGMENTATIONS.....	49,968	52,121	53,506
RESTRICTED.....	9,513	9,513	9,513
OTHER FUNDS.....	4	320	295
TOTAL ALL FUNDS.....	<u>\$ 1,065,870</u>	<u>\$ 1,091,466</u>	<u>\$ 1,070,307</u>

^a Includes recommended supplemental appropriation of \$9,165,000.

^b Not added to the total to avoid double counting with the program expenditures from the Lottery Fund: 2014-15 Actual is \$162,800,000, 2015-16 Available is \$166,800,000, and 2016-17 Budget is \$148,000,000.

^c 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: 2014-15 Actual is \$7,384,000, 2015-16 Available is \$7,566,000, and 2016-17 Budget is \$7,800,000.

^d 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: 2014-15 Actual is \$616,192,000, 2015-16 Available is \$616,500,000, and 2016-17 Budget is \$616,500,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 145,513	\$ 150,305	\$ 163,713	\$ 169,156	\$ 180,951	\$ 162,952	\$ 164,994
SPECIAL FUNDS.....	551,533	561,381	522,453	537,620	545,417	552,128	558,830
FEDERAL FUNDS.....	255	250	250	250	250	250	250
OTHER FUNDS.....	59,485	61,954	63,314	63,409	63,505	63,602	38,700
SUBCATEGORY TOTAL.....	<u>\$ 756,786</u>	<u>\$ 773,890</u>	<u>\$ 749,730</u>	<u>\$ 770,435</u>	<u>\$ 790,123</u>	<u>\$ 778,932</u>	<u>\$ 762,774</u>
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 30,834	\$ 32,376	\$ 30,677	\$ 32,211	\$ 33,821	\$ 35,512	\$ 37,288
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>\$ 30,834</u>	<u>\$ 32,376</u>	<u>\$ 30,677</u>	<u>\$ 32,211</u>	<u>\$ 33,821</u>	<u>\$ 35,512</u>	<u>\$ 37,288</u>
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	278,250	285,200	289,900	268,400	266,800	265,600	263,900
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 278,250</u>	<u>\$ 285,200</u>	<u>\$ 289,900</u>	<u>\$ 268,400</u>	<u>\$ 266,800</u>	<u>\$ 265,600</u>	<u>\$ 263,900</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 176,347	\$ 182,681	\$ 194,390	\$ 201,367	\$ 214,772	\$ 198,464	\$ 202,282
SPECIAL FUNDS.....	829,783	846,581	812,353	806,020	812,217	817,728	822,730
FEDERAL FUNDS.....	255	250	250	250	250	250	250
OTHER FUNDS.....	59,485	61,954	63,314	63,409	63,505	63,602	38,700
DEPARTMENT TOTAL.....	<u>\$ 1,065,870</u>	<u>\$ 1,091,466</u>	<u>\$ 1,070,307</u>	<u>\$ 1,071,046</u>	<u>\$ 1,090,744</u>	<u>\$ 1,080,044</u>	<u>\$ 1,063,962</u>

Program: Revenue Collection and Administration

Goal: To assure the availability of resources for the commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.

This program administers the commonwealth's revenue statutes by assessing and collecting various taxes. Major revenue sources for the General Fund include corporation, personal income, inheritance, sales and use, cigarette, beverage and realty transfer taxes. Tax revenue is also collected for the first and second class county sales taxes and for the Motor License, Racing and Gaming Funds.

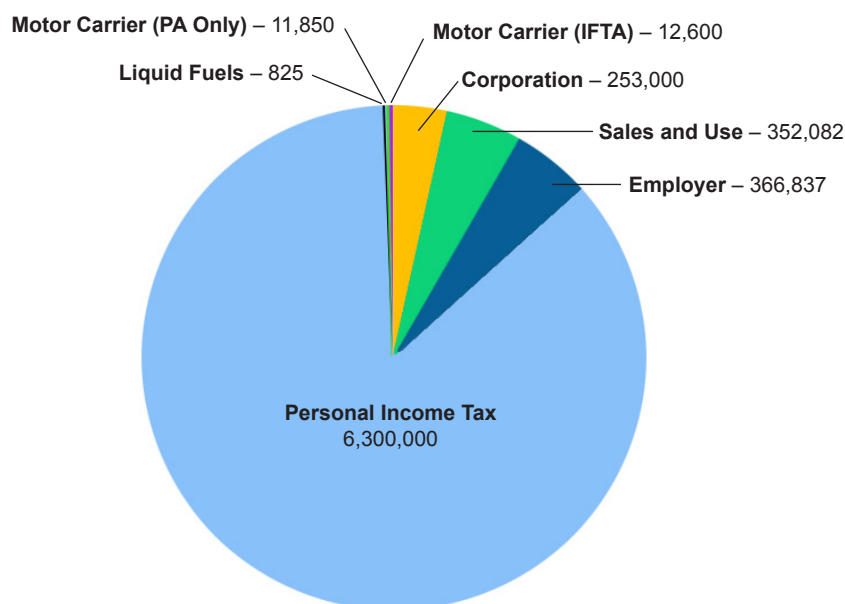
The department continues to expand the use of automated procedures thereby permitting quick deposit of funds and review of a tax return's accuracy. It has added automated processes that assist taxpayers in filing accurately and more efficiently. These include the Electronic Tax and Data Exchange System and an internet system for filing business taxes such as sales

tax, employer withholding tax, liquid fuels tax, fuel tax and corporation tax extensions and estimates. There are also electronic systems for filing and payment of personal income tax. Revenue collection efforts are being enhanced to improve violation enforcement and improve business practices. To ensure fairness in tax administration, the department audits and verifies tax returns to detect fraud and non-filers. In addition, there is an extensive delinquent tax collection effort that involves automation as well as traditional tax collection methods.

This program is responsible for the administration of the State Lottery. Through a network of private retailers, the commonwealth sells lottery tickets, the proceeds of which support programs for older Pennsylvanians.

Active Filers by Tax Type

(Estimated for Fiscal Year 2016-17)



Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND:	
General Government Operations	
\$ 6,779	—to continue current program.
6,227	—Initiative — Annualize and continue to implement tax changes.
<hr/>	
\$ 13,006	<i>Appropriation Increase</i>
Commissions - Inheritance & Realty Transfer Taxes (EA)	
\$ 402	—based on current revenue estimates.

MOTOR LICENSE FUND:	
Collections - Liquid Fuels Tax	
\$ 1,223	—to continue current program.
Refunding Liquid Fuels Tax (EA)	
\$ 1,200	—based on current estimates

Program: Revenue Collection and Administration (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 6,197	LOTTERY FUND:				
	General Operations (EA)				
	—to continue current program.	\$ -2,390		Instant Vendor Commissions (EA)	—based on the latest projection of program requirements.
\$ 315	Property Tax Rent Rebate - General Operations				
	—to continue current program.	\$ 1,859		Payment of Prize Money (EA)	—based on the latest projection of program requirements.
\$ 2,668	On-Line Vendor Commissions (EA)				
	—based on the latest projection of program requirements.	\$ -50,000		Loan Repayment to the General Fund (EA)	—nonrecurring loan.

The Lottery Advertising appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 129,538	\$ 135,561	\$ 148,567	\$ 150,053	\$ 151,553	\$ 153,069	\$ 154,599
Commissions - Inheritance & Realty							
Transfer Taxes (EA)	7,975	8,244	8,646	9,103	9,398	9,883	10,395
Technology and Process Modernization....	8,000	6,500	6,500	10,000	20,000	0	0
TOTAL GENERAL FUND	\$ 145,513	\$ 150,305	\$ 163,713	\$ 169,156	\$ 180,951	\$ 162,952	\$ 164,994
MOTOR LICENSE FUND:							
Collections - Liquid Fuels Tax	\$ 15,695	\$ 18,076	\$ 19,299	\$ 19,492	\$ 19,687	\$ 19,884	\$ 20,083
Refunding Liquid Fuels Tax (EA)	16,000	18,000	19,200	21,200	23,200	23,200	23,200
TOTAL MOTOR LICENSE FUND	\$ 31,695	\$ 36,076	\$ 38,499	\$ 40,692	\$ 42,887	\$ 43,084	\$ 43,283
LOTTERY FUND:							
General Operations (EA)	\$ 36,006	\$ 45,428	\$ 51,625	\$ 52,141	\$ 52,663	\$ 53,189	\$ 53,721
Lottery Advertising (EA)	40,004	44,000	44,000	44,000	44,000	44,000	44,000
Property Tax Rent Rebate - General							
Operations (EA)	13,558	14,909	15,224	15,376	15,530	15,685	15,842
On-Line Vendor Commissions (EA)	39,010	39,854	42,522	43,171	43,246	43,898	44,514
Instant Vendor Commissions (EA)	31,907	34,015	31,625	32,435	33,149	33,935	34,755
Payment of Prize Money (EA)	359,353	297,099	298,958	309,805	313,942	318,337	322,715
Loan Repayment to General Fund (EA)	0	50,000	0	0	0	0	0
TOTAL LOTTERY FUND	\$ 519,838	\$ 525,305	\$ 483,954	\$ 496,928	\$ 502,530	\$ 509,044	\$ 515,547
RACING FUND:							
Collections - State Racing (EA)	\$ 0	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237

Program: Community Development and Preservation

Goal: To equitably distribute the Public Utility Realty Tax to all reporting local taxing authorities.

A 1968 amendment to the state constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar statewide tax known as the Public Utility Realty Tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while ensuring fair treatment for utilities.

The distribution is based on the ratio between the total tax receipts of a local taxing authority and the total tax receipts of all reporting tax authorities. This ratio is then applied to the total amount of taxes that reporting authorities could have collected had they been able to directly tax public utility realty.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -1,699 **Distribution of Public Utility Realty Tax**
—reflects normal fluctuations in tax assessments.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax	\$ 30,834	\$ 32,376	\$ 30,677	\$ 32,211	\$ 33,821	\$ 35,512	\$ 37,288

Program: Homeowners and Renters Assistance

Goal: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.

This program allows Pennsylvanians 65 years of age or older, surviving spouses over 50 and permanently disabled citizens 18 years of age or older to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 1 of Special Session No. 1 of 2006 expanded the Property Tax and Rent Rebate Program to give more Pennsylvanians a rebate while also increasing the amounts of the rebates. The expansion included increasing

the household income limit from \$15,000 to \$35,000 and increasing the maximum rebate from \$500 to \$650. As a result of Act 156 of 2014, income eligibility guidelines for the Property Tax and Rent Rebate Program were changed so that income increases due solely to Social Security cost-of-living adjustments (COLAs) will no longer disqualify claimants from receiving rebates.

In 2014-15, the average tax assistance payment was \$442.59, and the average rent rebate was \$542.92.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Property Tax & Rent Assistance for Older Pennsylvanians (EA)
—based on current estimates for participation.

\$ 4,700

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
LOTTERY FUND:							
Property Tax & Rent Assistance for Older Pennsylvanians (EA).....	\$ 278,250	\$ 285,200	\$ 289,900	\$ 268,400	\$ 266,800	\$ 265,600	\$ 263,900

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Revenue Collection and Administration

Objective: Efficiently maintain active accounts for all individuals and businesses with tax reporting and payment obligations, and increase voluntary compliance through quality taxpayer service.

Taxpayer Services Provided

Appeals filed with the Board of Appeals (all tax types)	25,589	27,500	27,500	27,500	27,500	27,500	27,500
Average time to close Board of Appeals cases (in days)	89	89	89	89	89	89	89
Taxpayer Service and Information Center calls answered	498,452	400,000	400,000	400,000	400,000	400,000	400,000
Average wait time for Taxpayer Service & Information Center calls (in minutes)	11.12	10.30	10	9.30	9	8.30	8
Cases opened by the Taxpayer Rights Advocate (TRA)	1,684	1,300	1,400	1,500	1,600	1,700	1,800

Operating Efficiency

Percentage of administrative and IT personnel to total personnel (all funds)	12.84%	12.84%	12.84%	12.84%	12.84%	12.84%	12.84%
Average wait time of all taxpayer phone calls (in minutes)*	5.43	2.64	2.59	2.44	2.39	2.34	2.29
Average cost to process a tax return*	\$2.92	\$2.89	\$2.86	\$2.83	\$2.80	\$2.77	\$2.74

Objective: Increase the use of electronic tax filing.

Electronic Filings

Percentage of corporation tax returns filed electronically	67%	75%	80%	80%	85%	85%	90%
Percentage of sales and use tax returns filed electronically	99%	99%	99%	99%	99%	99%	99%
Percentage of employer tax returns filed electronically	99%	99%	99%	99%	99%	99%	99%
Percentage of personal income tax returns filed electronically	79%	80%	81%	81%	82%	82%	83%
Percentage of motor fuels tax returns filed electronically	40%	50%	60%	100%	100%	100%	100%

Objective: Increase delinquent tax collections.

Delinquent Collections

Collections from delinquent accounts (in millions)	\$606	\$600	\$600	\$600	\$600	\$600	\$600
Delinquent taxes collected per dollar spent	\$8.53	\$8.12	\$7.81	\$7.51	\$7.22	\$6.94	\$6.61
Enhanced Revenue Collections Account collections (in millions)**	\$311	\$310	\$310	\$310	\$310	\$310	\$0
Enhanced Revenue Collection Account collections per dollar spent**	\$12.44	\$12.40	\$12.40	\$12.40	\$12.40	\$12.40	\$0

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Increase Lottery revenues for the support of programs for older Pennsylvanians.

Lottery Operations

Lottery operating costs as a percentage of ticket sales (includes advertising and commissions)	3.87%	4.27%	4.18%	4.05%	4%	4%	4%
Lottery operating costs as a percentage of ticket sales (includes cost of lottery administration only)	1%	1.15%	1.29%	1.17%	1.17%	1.18%	1.18%
Lottery active points of sale*	15,023	15,723	16,673	16,673	16,673	16,673	16,673

* New Program Measure

** Current law for Enhanced Revenue Collections ends in Fiscal Year 2019-20.

Program: Community Development and Preservation

Objective: Ensure all eligible taxing authorities receive accurate distributions of public utility realty tax funds collected.

Taxing authorities receiving funds	2,626	3,052	3,052	3,052	3,052	3,052	3,052
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Program: Homeowners and Renters Assistance

Objective: Maximize the number of households provided property tax or rent assistance.

Households provided property tax or rent assistance	578,790	582,000	578,000	573,000	569,000	565,000	565,000
Households applying by June 30	546,749	545,000	545,000	545,000	545,000	545,000	545,000
Rebates mailed by July 31	531,519	500,000	500,000	500,000	500,000	500,000	500,000

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DEPARTMENT OF STATE

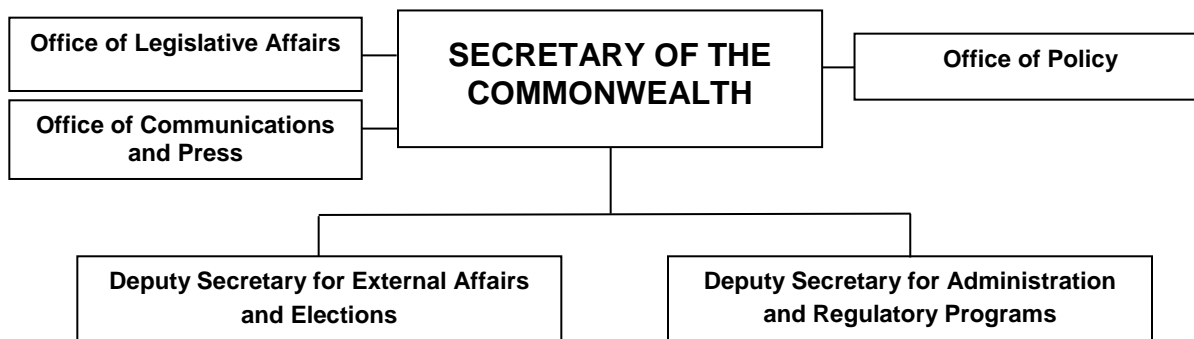
The mission of the Department of State is to promote the integrity of the electoral process; to provide the initial infrastructure for economic development through corporate organizations and transactions; and to protect the health, safety and welfare of the public. The department will encourage the 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.

The Department of State is administered by the Secretary of the Commonwealth and includes the Bureau of Corporations and Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the State Athletic Commission, the Bureau of Enforcement and Investigation and the Bureau of Professional and Occupational Affairs, which provides support to 29 professional and occupational licensing boards and commissions.

Programs and Goals

Consumer Protection: *To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.*

Organization Overview



- **Deputy Secretary for External Affairs and Elections** is responsible for the Bureau of Commissions, Elections and Legislation, the State Athletic Commission and on behalf of the Secretary of the Commonwealth coordinates with the Department of State's Legislative Affairs Office, Policy Office, and Press and Communications Office.
- **Deputy Secretary for Administration and Regulatory Programs** is responsible for the Bureau of Professional and Occupational Affairs, the Bureau of Enforcement and Investigation, and the Bureau of Corporations and Charitable Organizations. The deputy is also responsible for the administrative duties of the Department of State including the Bureau of Human Resources, the Bureau of Finance and Operations, and the Bureau of Information Systems.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
523	506	499	496	497

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 3,695	\$ 3,890^a	\$ 4,065
(F)Federal Election Reform.....	16,570	13,653	12,507
(A)Departmental Services.....	0 ^b	0 ^b	0 ^b
(R)Professional and Occupational Affairs.....	39,207 ^c	43,946 ^c	44,423 ^c
(R)State Board of Medicine.....	7,559 ^c	8,184 ^c	8,365 ^c
(R)State Board of Osteopathic Medicine.....	1,250 ^c	1,523 ^c	1,559 ^c
(R)State Board of Podiatry.....	225 ^c	245 ^c	249 ^c
(R)State Athletic Commission.....	536 ^c	560 ^c	599 ^c
(R)Bureau of Corporations and Charitable Organizations (EA).....	7,281	6,738	6,498
Office for New Pennsylvanians.....	0	0	877
Subtotal.....	\$ 76,323	\$ 78,739	\$ 79,142
Statewide Uniform Registry of Electors.....	4,045	4,045	4,045
Voter Registration and Education.....	458	460^d	468
(F)Elections Assistance - Grants to Counties.....	990	763	453
Subtotal.....	\$ 1,448	\$ 1,223	\$ 921
Lobbying Disclosure.....	297	457	268
Publishing Constitutional Amendments (EA).....	2,234	2,700	2,000
Electoral College.....	0	0	10
Subtotal - State Funds.....	\$ 10,729	\$ 11,552	\$ 11,733
Subtotal - Federal Funds.....	17,560	14,416	12,960
Subtotal - Restricted Revenues.....	56,058	61,196	61,693
Total - General Government.....	\$ 84,347	\$ 87,164	\$ 86,386
<i>Grants and Subsidies:</i>			
Voting of Citizens in Military Service.....	\$ 20	\$ 20	\$ 20
County Election Expenses (EA).....	400	400	400
Total - Grants and Subsidies.....	\$ 420	\$ 420	\$ 420
STATE FUNDS.....	\$ 11,149	\$ 11,972	\$ 12,153
FEDERAL FUNDS.....	17,560	14,416	12,960
RESTRICTED REVENUES.....	56,058	61,196	61,693
GENERAL FUND TOTAL.....	\$ 84,767	\$ 87,584	\$ 86,806
OTHER FUNDS:			
GENERAL FUND:			
Lobbying Disclosure (R).....	\$ 500	\$ 337	\$ 550
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments (EA).....	\$ 150	\$ 150	\$ 150
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 11,149	\$ 11,972	\$ 12,153
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	17,560	14,416	12,960
RESTRICTED.....	56,058	61,196	61,693
OTHER FUNDS.....	650	487	700
TOTAL ALL FUNDS.....	\$ 85,417	\$ 88,071	\$ 87,506

Summary by Fund and Appropriation

^a Includes recommended supplemental appropriation of \$79,000.

^b Not added to the total to avoid double counting: 2014-15 Actual is \$5,790,000, 2015-16 Available is \$6,010,000 and 2016-17 Budget is \$6,249,000.

^c Appropriated from a restricted revenue account.

^d Includes recommended supplemental appropriation of \$69,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 11,149	\$ 11,972	\$ 12,153	\$ 10,154	\$ 10,140	\$ 10,327	\$ 10,326
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	17,560	14,416	12,960	13,090	13,221	13,354	13,488
OTHER FUNDS.....	56,708	61,683	62,393	63,016	63,646	64,281	64,923
SUBCATEGORY TOTAL.....	<u>\$ 85,417</u>	<u>\$ 88,071</u>	<u>\$ 87,506</u>	<u>\$ 86,260</u>	<u>\$ 87,007</u>	<u>\$ 87,962</u>	<u>\$ 88,737</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 11,149	\$ 11,972	\$ 12,153	\$ 10,154	\$ 10,140	\$ 10,327	\$ 10,326
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	17,560	14,416	12,960	13,090	13,221	13,354	13,488
OTHER FUNDS.....	56,708	61,683	62,393	63,016	63,646	64,281	64,923
DEPARTMENT TOTAL.....	<u><u>\$ 85,417</u></u>	<u><u>\$ 88,071</u></u>	<u><u>\$ 87,506</u></u>	<u><u>\$ 86,260</u></u>	<u><u>\$ 87,007</u></u>	<u><u>\$ 87,962</u></u>	<u><u>\$ 88,737</u></u>

Program: Consumer Protection

Goal: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.

The Department of State administers several programs within the Consumer Protection program.

Program Element: Protection of the Electoral Process

This program ensures the efficiency, honesty and uniformity in the administration of the Election Code. Act 25 of 1995, the Pennsylvania Voter Registration Act, integrated voter registration into driver's license applications and made other voter registration changes to comply with the National Voter Registration Act. Nomination petitions for statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. As required by the Election Code, committees file campaign expense reports, and the public is provided the opportunity to review the reports. The department tabulates, publishes and disseminates statistics for both voter registration and all elections; it also serves as the repository of the maps and descriptions of the commonwealth's approximately 9,180 election precincts.

The department developed and maintains an integrated voter registration database containing all electors in the commonwealth. The department also created an advisory board to establish the requirements of the Statewide Uniform Registry of Electors system. The department developed an electronic voter registration application that makes registration easier and more convenient and enhances the accuracy of the voter rolls.

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.

The department is also responsible for the registration and monitoring of the commonwealth's lobbyists. The department receives lobbyist filings and reports, and makes this information available to the public, produces annual reports and a biennial directory, conducts audits and provides administrative assistance to the regulating committee.

Program Element: Protection by Professional Licensing

This program ensures that acceptable professional and technical services are provided to the commonwealth's residents. To accomplish this, 29 boards and commissions of the Bureau of Professional and Occupational Affairs utilize licensing, enforcement and administrative authority to regulate and service the various professions. The

department investigates complaints against licensees for legal or ethical violations that may result in disciplinary action by the boards.

Mechanisms used in controlling the quality of practitioners include regulating education; experience and degree of technical expertise demonstrated through applications; and subsequent written examination and/or demonstrated practical ability. Requirements for continuing education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Physicians, other health care workers and medical facilities are required to report malpractice complaints, disciplinary actions by another jurisdiction, controlled substance violations, any arrests for criminal offenses, as well as care of a patient that results in an unanticipated death or injury.

The Professional Licensure Augmentation Restricted Account enables this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. The bureau operates entirely out of restricted funds, considered for budgetary purposes as Other Funds.

Fees are revised according to the specific enabling legislation for each board.

Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices

This program encompasses the activities of the Bureau of Corporations and Charitable Organizations and the State Athletic Commission.

The Bureau of Corporations and Charitable Organizations is responsible for both profit and nonprofit business incorporation filings, submission of Uniform Commercial Code (UCC) filings and registration of charitable organizations, professional fundraisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds.

The primary goals of the Bureau of Corporations and Charitable Organizations are to make the registration process as efficient as possible, enhance public access, promote transparency and disclosure by charities, educate consumers and aggressively pursue fraudulent solicitation activities.

The State Athletic Commission monitors and regulates all professional and amateur boxing, kickboxing and mixed martial arts events, professional wrestling contests and the licensing of all persons who participate in these events. The individual license categories include announcer, agent, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program: Consumer Protection (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		This budget also recommends the following changes in appropriations and executive authorizations from restricted accounts:	
\$	175	General Government Operations —to continue current program.	
\$	877	Office for New Pennsylvanians —Initiative—To provide assistance to new residents of the commonwealth.	\$ 477
\$	8	Voter Registration and Education —to continue current program.	\$ 181
\$	-189	Lobbying Disclosure —based on most recent projection of biennial fees.	\$ 36
\$	-700	Publishing Constitutional Amendments (EA) —to advertise and publish proposed Constitutional Amendments.	\$ 4
\$	10	Electoral College —travel and contingent expenses of presidential electors.	\$ 39
		Professional and Occupational Affairs —to continue current program.	
		State Board of Medicine —to continue current program.	
		State Board of Osteopathic Medicine —to continue current program.	
		State Board of Podiatry —to continue current program.	
		State Athletic Commission —to continue current program.	
		Bureau of Corporations and Charitable Organizations (EA) —reduction in administrative costs.	\$ -240

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.

The Statewide Uniform Registry of Electors, Voting of Citizens in Military Service and County Election Expenses (EA) appropriations are recommended at the current year funding levels.

This budget includes \$550,000 in augmentations to support Lobbying Disclosure. This augmentation is provided through a \$300 biennial fee.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 3,695	\$ 3,890	\$ 4,065	\$ 4,106	\$ 4,147	\$ 4,188	\$ 4,230
Office for New Pennsylvanians.....	0	0	877	770	770	770	770
Statewide Uniform Registry of Electors.....	4,045	4,045	4,045	4,085	4,126	4,167	4,209
Voter Registration and Education	458	460	468	473	477	482	487
Lobbying Disclosure	297	457	268	300	200	300	200
Publishing Constitutional Amendments (EA)	2,234	2,700	2,000	0	0	0	0
Electoral College	0	0	10	0	0	0	10
Voting of Citizens in Military Service.....	20	20	20	20	20	20	20
County Election Expenses (EA)	400	400	400	400	400	400	400
TOTAL GENERAL FUND	\$ 11,149	\$ 11,972	\$ 12,153	\$ 10,154	\$ 10,140	\$ 10,327	\$ 10,326

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Consumer Protection

Objective: Add 75,000 new registered Pennsylvanians to the voter rolls by making it easier and more convenient for eligible citizens to register to vote.

Electoral Process

Online voter registration transactions	0	85,000	140,000	55,000	96,000	177,000	225,000
PennDOT voter registration transactions	159,927	165,000	175,000	160,000	160,000	165,000	175,000
New voter registration transactions - paper	922,093	1,100,000	1,200,000	1,000,000	850,000	700,000	550,000

Objective: Strengthen public safety and enhance transparency by reducing the processing time of professional licensure complaints 10% and increasing efficiency in prosecutions with improved technology.

Enforcement and Investigation

Average number of days it takes to close an investigation	107	120	120	120	120	120	120
Inspections completed	21,430	22,000	22,000	22,000	22,000	22,000	22,000
Investigations opened	4,428	4,000	4,000	4,000	4,000	4,000	4,000
Investigations closed	4,414	4,000	4,000	4,000	4,000	4,000	4,000

Professional Licensing

Average number of days it takes to close a complaint	297	390	400	410	420	430	440
Cases opened	13,699	15,800	16,250	16,500	16,750	17,000	17,250
Cases closed	13,326	13,000	13,200	13,200	13,400	13,400	13,650
Disciplinary actions	2,727	2,700	2,800	2,900	3,000	3,000	3,100
Regulation packages proposed and approved	19	25	25	25	25	25	25

Objective: Enhance the public's customer service experience with the Department by reducing the processing time of business registrations and professional licensure applications by 20%.

Professional Licensing

Percentage of licenses renewed online	88%	95%	96%	96%	96%	96%	96%
Active Professional Licenses	979,798	997,160	1,011,330	1,025,510	1,039,680	1,053,860	1,068,040

Corporations and Charitable Organizations

Business Entity and Trademark filings	158,457	160,000	162,000	164,000	166,000	168,000	170,000
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Objective: Increase number of electoral process transactions, to include voter registrations, notary public commissions, certifications and apostilles, and commissions.

Electoral Process

Notary public commissions issued	6,740	6,800	6,800	7,100	7,100	7,150	7,150
Notary public commissions renewed	14,659	15,000	15,000	15,500	15,500	16,000	16,000
Certifications and apostilles completed	34,216	35,000	35,500	35,500	35,500	35,750	35,750

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Commissions processed	547	750	600	600	600	750	600

Objective: Increase the number of campaign finance reports filed online.

Electoral Process

Percentage of campaign finance reports filed online	39.19%	40%	40%	40%	40%	40%	40%
Campaign finance reports filed	12,022	9,500	12,000	9,500	12,000	9,500	12,000

Objective: Increase the number of licensed professionals in the rehabilitation program that successfully complete the program.

Professional Licensing

Health Monitoring Program:

Percentage of licensees who started and successfully completed a PHMP program	67%	67%	68%	68%	68%	68%	68%
Cases opened	2,399	2,000	2,025	2,050	2,075	2,100	2,550
Cases closed	2,158	2,000	2,025	2,050	2,075	2,100	2,525
Licensees who completed a recovery program	222	245	255	265	275	285	305

Objective: Maintain timely processing of corporate and charitable organization registrations and Uniform Commercial Code financing statements.

Enforcement and Investigation

Charities investigations opened	195	240	240	240	240	240	240
Charities investigations closed	189	240	240	240	240	240	240

Corporations and Charitable Organizations

Uniform Commercial Code filings	127,504	130,000	132,000	134,000	136,000	138,000	140,000
Corporation and Uniform Commercial Code Requests	70,301	76,000	78,000	80,000	82,000	84,000	88,000
Charity registrations	10,786	11,250	11,750	12,250	12,750	13,250	13,750
Professional fundraiser registrations	333	350	375	400	425	450	475
Professional fundraiser contract filings	1,200	1,500	1,600	1,700	1,800	1,900	2,000

Objective: Regulate all State Athletic Commission sports in a safe and orderly manner by professionally licensing athletes and ensuring rules and regulations are followed at all wrestling, boxing and mixed martial arts events.

State Athletic Commission

Professionals licensed	2,465	2,400	2,400	2,400	2,400	2,400	2,400
Wrestling events	350	340	340	340	340	340	340
Boxing events (professional, amateur and kickboxing) and mixed martial arts events	146	150	150	150	150	150	150

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STATE EMPLOYEES' RETIREMENT SYSTEM

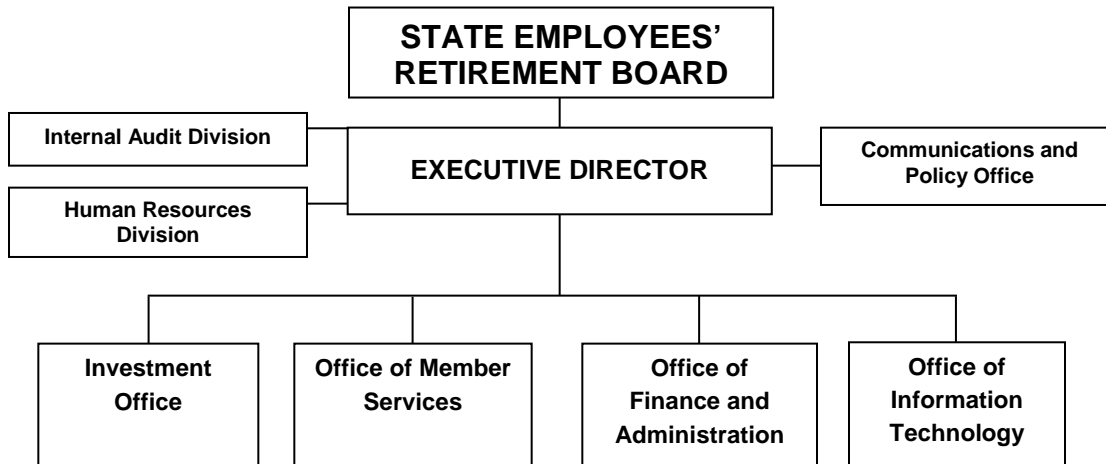
The mission of the State Employees' Retirement System is to provide retirement benefits and services to its members through sound administration and prudent investments.

The system is responsible for administering the State Employees' Retirement Fund, the supplemental retirement allowances and cost-of-living increases for annuitants. The system also administers the commonwealth's Deferred Compensation Program.

Programs and Goals

State Employees' Retirement: *To provide retirement benefits to employees of the Commonwealth of Pennsylvania.*

Organization Overview



- **Director of the Investment Office** is responsible for the Public Markets Division, Real Estate Division and the Alternative Investments Division.
- **Director of the Office of Member Services** is responsible for the Bureau of Member Services and the Bureau of Benefit Administration.
- **Director of the Office of Finance and Administration** is responsible for the divisions of General Accounting and the Deferred Compensation Program; Budget, Procurement and Operations; Investment Control; and Compliance and Quality Control.
- **Director of the Office of Information Technology** is responsible for the divisions of Applications, Database Administration, and Technical Support.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
197	197	197	197	197

State Employees' Retirement System

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>OTHER FUNDS:</u>			
STATE EMPLOYEES' RETIREMENT FUND:			
State Employees' Retirement Administration.....	\$ 22,303	\$ 23,743	\$ 24,814
Investment Related Expenses.....	8,286	9,292	9,800
STATE EMPLOYEES' RETIREMENT FUND TOTAL.....	<u>\$ 30,589</u>	<u>\$ 33,035</u>	<u>\$ 34,614</u>

State Employees' Retirement System

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
STATE EMPLOYEES' RETIREMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	30,589	33,035	34,614	34,960	35,310	35,663	36,020
SUBCATEGORY TOTAL.....	<u>\$ 30,589</u>	<u>\$ 33,035</u>	<u>\$ 34,614</u>	<u>\$ 34,960</u>	<u>\$ 35,310</u>	<u>\$ 35,663</u>	<u>\$ 36,020</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	30,589	33,035	34,614	34,960	35,310	35,663	36,020
DEPARTMENT TOTAL.....	<u><u>\$ 30,589</u></u>	<u><u>\$ 33,035</u></u>	<u><u>\$ 34,614</u></u>	<u><u>\$ 34,960</u></u>	<u><u>\$ 35,310</u></u>	<u><u>\$ 35,663</u></u>	<u><u>\$ 36,020</u></u>

State Employees' Retirement System

Program: State Employees' Retirement

Goal: To provide retirement benefits to employees of the Commonwealth of Pennsylvania.

The State Employees' Retirement System (SERS) was established in 1923 to administer the commonwealth's employee pension program. The State Employees' Retirement Fund uses contributions from employees and their employing agencies as well as earnings from investments to pay for annuities, disability benefits and administration of the system. The State Employees' Retirement Fund is shown in the Other Special Funds Appendix.

SERS undergoes an annual independent actuarial valuation to calculate the assets and liabilities of the pension fund. Based on the actuarial valuation process and legal requirements, SERS develops the recommended employer contribution rate.

Employer contribution rates differ by class of employee. As a result of Act 9 of 2001, most system members, depending upon individual employee election of membership, contribute 6.25 percent of pay to the system. Normal retirement for most employees is age 60, age 50 for safety employees and members of the Legislature or at any age with 35 years of service. Retirement is possible after five years of service but is actuarially reduced to the equivalent of the annuity that would have been payable at normal system retirement age.

Act 120 of 2010 made significant changes to the pension system. Act 120 amended the benefit structure for new employees hired after December 31, 2010 and amended key funding provisions. Benefit changes included: lowering

the benefit accrual rate from 2.5 percent of final average salary for each year of service to 2 percent; setting the new employee contribution rate at 9.3 percent if employees elect to accrue service at 2.5 percent for each year of service; increasing the vesting period from 5 years to 10 years; eliminating the option for members to withdraw their contributions; increasing the normal retirement age to age 65 for most employees, and age 55 for safety employees and members of the Legislature; and implementing a shared risk provision that could raise or lower member contribution rates based on the rate assumed for SERS' actuarial valuations. Act 120 also included changes to key funding provisions including re-amortizing existing liabilities and future experience gains and losses over 30 years with level dollar payments, and implementing employer contribution rate collars which limit year-over-year increases in the employer contribution rate. The collars established by Act 120 were 3 percent for 2011-12, 3.5 percent for 2012-13 and 4.5 percent for all subsequent years. The collars will end when the actuarial calculated rate is below the collared rate.

SERS is also responsible for the administration of the commonwealth's Deferred Compensation Program that allows commonwealth employees to voluntarily defer a portion of their salaries to a retirement savings account. The Deferred Compensation Fund is shown in the Other Special Funds Appendix.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

STATE EMPLOYEES' RETIREMENT FUND State Employees' Retirement Administration

\$ 1,071 —to continue current program.

In addition, \$9,800,000 in Investment Related Expenses will be used to support this program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
STATE EMPLOYEES' RETIREMENT FUND:							
State Employees' Retirement							
Administration	\$ 22,303	\$ 23,743	\$ 24,814	\$ 25,062	\$ 25,313	\$ 25,566	\$ 25,822
Investment Related Expenses	8,286	9,292	9,800	9,898	9,997	10,097	10,198
TOTAL STATE EMPLOYEES' RETIREMENT FUND	\$ 30,589	\$ 33,035	\$ 34,614	\$ 34,960	\$ 35,310	\$ 35,663	\$ 36,020

State Employees' Retirement System

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: State Employees' Retirement

Objective: Provide adequate retirement counseling sessions to our members as requested.

Retirement counseling sessions	5,500	5,300	5,200	5,200	5,100	4,900	4,700
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Objective: Maintain a record of the total number of retired employees.

Total number of retired employees and beneficiaries	122,250	124,140	125,905	127,600	129,050	130,300	131,320
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Objective: Maintain a record of total benefit payments (in billions).

Total benefit payments (in billions)	\$2.90	\$3.10	\$3.20	\$3.30	\$3.50	\$3.60	\$3.70
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STATE POLICE

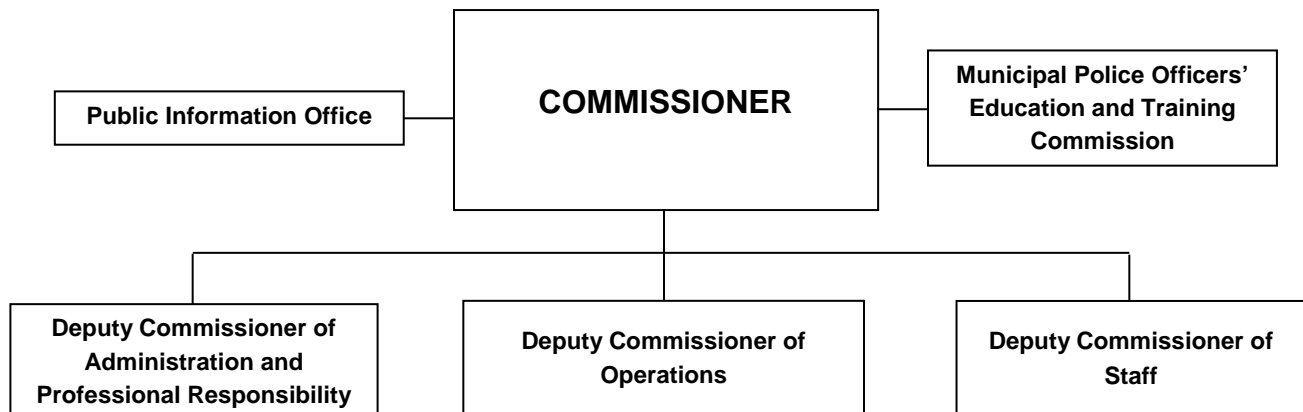
The mission of the Pennsylvania State Police is to seek justice, preserve peace and improve the quality of life for all.

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 Goals

Public Protection and Law Enforcement: *To enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways and enforcement of the Vehicle and Liquor Codes.*

Organization Overview



- **Deputy Commissioner of Administration and Professional Responsibility** oversees the bureaus of Human Resources, Training and Education, Integrity and Professional Standards, and the Discipline Office.
- **Deputy Commissioner of Operations** oversees bureaus of Patrol, Criminal Investigation, Liquor Control Enforcement, Emergency and Special Operations, Information Technology, and Area Commands I, II and III.
- **Deputy Commissioner of Staff** oversees the bureaus of Forensic Services, Staff Services, Records and Identification, Research and Development, and Communications and Information Services.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
6,359	6,434	6,514	6,531	6,561

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 204,628	\$ 229,195	\$ 245,642
(F)Area Computer Crime.....	4,295	5,468	5,670
(F)Homeland Security Grants (EA).....	2,479	2,570	2,610
(F)Law Enforcement Preparedness (EA).....	5,350	5,230	5,912
(F)Combat Underage Drinking (EA).....	150	22	0
(F)Law Enforcement Projects (EA).....	1,186	1,270	3,055
(A)Turnpike Commission.....	42,651	40,300	40,300
(A)Delaware River Toll Bridge.....	2,372	2,400	2,400
(A)Construction Zone Patrolling.....	3,601	3,700	3,700
(A)Criminal History Record Checks.....	7,264	6,400	6,400
(A)PATCH Credit Card Receipts.....	9,372	6,000	6,000
(A)Fingerprint Record Checks.....	1,750	2,050	2,050
(A)Reimbursement for Services.....	2,198	2,215	2,215
(A)Superload Reimbursements.....	1,806	1,700	1,700
(A)Sale of Automobiles.....	134	100	100
(A)Registry of Protection.....	145	150	150
(A)Electronic Surveillance.....	56	40	40
(A)Miscellaneous.....	1,431	1,308	1,308
Subtotal.....	\$ 290,868	\$ 310,118	\$ 329,252
(F)Office of Homeland Security (EA).....	4,363	4,420	4,450
Statewide Public Safety Radio System.....	5,703	6,004	8,956
(F)Broadband Network Planning.....	4,050	4,050	4,050
Subtotal.....	\$ 9,753	\$ 10,054	\$ 13,006
Law Enforcement Information Technology.....	6,372	6,899	6,899
Municipal Police Training.....	998	1,256	1,314
(A)Pre-Employment Testing.....	60	50	50
(A)Retired Law Enforcement Identification.....	6	5	5
Subtotal.....	\$ 1,064	\$ 1,311	\$ 1,369
Forensic Laboratory Support.....	1,500	0	0
Automated Fingerprint Identification System.....	861	861	861
Gun Checks.....	1,000	1,658	4,864
(R)(R)Firearm Records Check.....	5,789	6,130	3,030
Subtotal.....	\$ 6,789	\$ 7,788	\$ 7,894
Subtotal - State Funds.....	\$ 221,062	\$ 245,873	\$ 268,536
Subtotal - Federal Funds.....	21,873	23,030	25,747
Subtotal - Augmentations.....	72,846	66,418	66,418
Subtotal - Restricted Revenues.....	5,789	6,130	3,030
Total - General Government.....	\$ 321,570	\$ 341,451	\$ 363,731
STATE FUNDS.....	\$ 221,062	\$ 245,873	\$ 268,536
FEDERAL FUNDS.....	21,873	23,030	25,747
AUGMENTATIONS.....	72,846	66,418	66,418
RESTRICTED REVENUES.....	5,789	6,130	3,030
GENERAL FUND TOTAL.....	\$ 321,570	\$ 341,451	\$ 363,731

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 613,884	\$ 687,585	\$ 736,926
Statewide Public Safety Radio System.....	17,109	18,042	26,868
Law Enforcement Information Technology.....	19,116	20,697	20,697
Municipal Police Training.....	1,039	1,270	1,314
Automated Fingerprint Identification System.....	85	85	85
Patrol Vehicles.....	11,000	12,000	12,000
Commercial Vehicle Inspections.....	8,885	10,479	11,055
(F)Motor Carrier Safety.....	9,000 ^a	9,295 ^a	9,295
(A)Sale of Vehicles.....	44	35	35
(A)Waste Transportation Safety Enforcement.....	550	550	550
(A)Enhanced Commercial Vehicle Inspections.....	98	0	0
Subtotal.....	\$ 680,810	\$ 760,038	\$ 818,825
Subtotal - State Funds.....	\$ 671,118	\$ 750,158	\$ 808,945
Subtotal - Federal Funds.....	9,000	9,295	9,295
Subtotal - Augmentations.....	692	585	585
Total - General Government.....	\$ 680,810	\$ 760,038	\$ 818,825
<i>Grants and Subsidies:</i>			
Municipal Police Training Grants.....	\$ 5,000	\$ 5,000	\$ 5,000
STATE FUNDS.....	\$ 676,118	\$ 755,158	\$ 813,945
FEDERAL FUNDS.....	9,000	9,295	9,295
AUGMENTATIONS.....	692	585	585
MOTOR LICENSE FUND TOTAL.....	\$ 685,810	\$ 765,038	\$ 823,825
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Federal Property Forfeiture.....	\$ 2,975	\$ 2,100	\$ 2,100
State Drug Act Forfeiture.....	7,205	2,145	2,145
State Criminal Enforcement Forfeiture.....	325	65	65
Crime Lab User Fees.....	1,952	1,100	1,100
Auto Theft & Insurance Fraud Investigation.....	2,215	2,650	2,650
Firearms License Validation System.....	413	150	150
Vehicle Code Fines.....	1,974	900	900
Radio Systems Development Project.....	0	1,000	1,000
Tower Management.....	0	300	300
Broadband Middle Mile.....	0	5	5
GENERAL FUND TOTAL.....	\$ 17,059	\$ 10,415	\$ 10,415
MOTOR LICENSE FUND:			
Vehicle Sales and Purchases.....	\$ 2,061	\$ 2,000	\$ 2,000
DNA DETECTION FUND:			
DNA Detection of Offenders (EA).....	\$ 4,191	\$ 4,191	\$ 4,191
STATE GAMING FUND:			
(R)Gaming Enforcement.....	\$ 22,995	\$ 27,700	\$ 28,491
STATE STORES FUND:			
Liquor Control Enforcement.....	\$ 26,496	\$ 29,746	\$ 29,746
(A)Enforcement Reimbursement.....	28	25	25
(A)Sale of Vehicles.....	12	10	10
STATE STORES FUND TOTAL.....	\$ 26,536	\$ 29,781	\$ 29,781

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 221,062	\$ 245,873	\$ 268,536
SPECIAL FUNDS.....	676,118	755,158	813,945
FEDERAL FUNDS.....	30,873	32,325	35,042
AUGMENTATIONS.....	73,538	67,003	67,003
RESTRICTED.....	5,789	6,130	3,030
OTHER FUNDS.....	72,842	74,087	74,878
TOTAL ALL FUNDS.....	\$ 1,080,222	\$ 1,180,576	\$ 1,262,434

^a Previously appropriated in the General Fund.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 221,062	\$ 245,873	\$ 268,536	\$ 281,128	\$ 291,470	\$ 302,222	\$ 310,769
SPECIAL FUNDS.....	676,118	755,158	813,945	851,688	883,000	915,558	941,512
FEDERAL FUNDS.....	30,873	32,325	35,042	35,087	35,132	35,177	35,223
OTHER FUNDS.....	152,169	147,220	144,911	146,720	148,713	148,573	150,684
SUBCATEGORY TOTAL.....	<u>\$ 1,080,222</u>	<u>\$ 1,180,576</u>	<u>\$ 1,262,434</u>	<u>\$ 1,314,623</u>	<u>\$ 1,358,315</u>	<u>\$ 1,401,530</u>	<u>\$ 1,438,188</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 221,062	\$ 245,873	\$ 268,536	\$ 281,128	\$ 291,470	\$ 302,222	\$ 310,769
SPECIAL FUNDS.....	676,118	755,158	813,945	851,688	883,000	915,558	941,512
FEDERAL FUNDS.....	30,873	32,325	35,042	35,087	35,132	35,177	35,223
OTHER FUNDS.....	152,169	147,220	144,911	146,720	148,713	148,573	150,684
DEPARTMENT TOTAL.....	<u><u>\$ 1,080,222</u></u>	<u><u>\$ 1,180,576</u></u>	<u><u>\$ 1,262,434</u></u>	<u><u>\$ 1,314,623</u></u>	<u><u>\$ 1,358,315</u></u>	<u><u>\$ 1,401,530</u></u>	<u><u>\$ 1,438,188</u></u>

Program: Public Protection and Law Enforcement

Goal: To enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways and enforcement of the Vehicle and Liquor Codes.

Program Element: Traffic Supervision

Enforcing the commonwealth's traffic laws is a major responsibility of the State Police. The State Police has jurisdiction in all political sub-divisions within the commonwealth and routinely provides assistance to municipal, state and federal law enforcement agencies. The department patrols 60 percent of the commonwealth's roadways while providing various levels of police services and traffic enforcement to the majority of municipalities in the commonwealth. The State Police is also responsible for providing primary police services and traffic enforcement on the Pennsylvania Turnpike and the interstate highway system.

The department emphasizes reducing traffic crashes and bringing the motoring public into voluntary compliance with all traffic laws through routine patrol and enforcement activities. The very presence of visible police patrols continues to have the greatest impact on reducing traffic crashes. Supplemental patrols are provided in construction zones for the safety of motorists, as well as construction workers. Enforcement efforts continue to be concentrated in areas identified through the problem specific policing initiative. The goals of problem specific policing are to reduce crashes and crime, and improve the quality of life of citizens.

The department continues the use of DUI sobriety checkpoints and roving DUI patrols to combat drunk driving. The use of trained drug recognition experts is contributing to the steady increase in identifying and removing drug-impaired drivers from our highways. The department routinely conducts traffic safety education programs aimed at preventing DUI-related crashes.

The goal of commercial vehicle enforcement is to reduce commercial motor vehicle crashes, fatalities and injuries through consistent, uniform and effective commercial motor vehicle safety programs. Enforcement of the federal motor carrier safety regulations pertaining to drivers, equipment, documents, loads and hazardous materials transportation. State Police personnel also enforce the commonwealth's laws pertaining to the size, weight and load of commercial vehicles.

State Police identify, collect and analyze roadway evidence, debris patterns, vehicle damage and occupant injuries to reconstruct the circumstances surrounding serious, complicated and fatal motor vehicle crashes. Forensic mapping is also conducted, providing for scaled, computer-generated diagrams of crash and crime scenes.

Program Element: Vehicle Standards Control

Vehicle fraud investigation was established to enforce vehicle equipment laws and regulations, and to assist in

the removal of unsafe vehicles from the commonwealth's highways through supervision of motor vehicle safety inspection stations and mechanics, emissions inspection stations, and motor vehicle dealers.

Program Element: Criminal Law Enforcement

Most State Police efforts in criminal law enforcement are performed at the station level and consist of investigations of violent crimes and property crimes. At the statewide level, the department conducts special investigations of drug and narcotics offenses, organized crime, terrorism, white-collar crime, public corruption, arson, computer crime, and criminal personality profiling.

State Police troopers, along with local, state and federal agencies, target major drug-trafficking organizations utilizing a comprehensive strategy that involves intelligence gathering, financial background information, criminal investigation and asset forfeiture proceedings.

The State Police administers and manages the Pennsylvania Amber Alert System, a child abduction alert notification system. Amber Alert utilizes the Emergency Alert System and the commonwealth's "Alert-PA" website to inform the public of an abduction of a child under the age of 18, whom the police believe to be in danger of serious bodily harm or death. A Missing Endangered Person Advisory System was implemented to supplement the Amber Alert System and notify the public of missing endangered persons of any age.

The State Police provides investigative assistance to all local, state and federal law enforcement agencies in cases where a computer has been utilized for a criminal purpose. The program task force is equipped with the newest technology, including a central forensic server that allows investigators to complete forensic examinations from remote locations across the state.

Program Element: Crime Prevention

The State Police crime prevention mission is to reduce the incidence of crime through citizen involvement and educational crime prevention techniques. This includes initiatives such as Neighborhood Crime Watch, block parents, Crime Stoppers and business tip programs developed to encourage the reporting of suspicious activity for follow-up investigation in support of the department's homeland security mission.

The State Police provides assistance to municipalities in suppression of violent crime through saturation patrols. Community involvement and intelligence gathering are essential components of these operations.

The State Police ensures the timely exchange of relevant information pertaining to sexually violent predators

Program: Public Protection and Law Enforcement (continued)

and other sexual offenders between public agencies and officials, and the release of information regarding offenders to the general public as required by Megan's Law.

The State Police is responsible for managing the Pennsylvania Instant Check System. PICS 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.

Program Element: Emergency Assistance

The State Police has primary police jurisdiction in 82 percent of the commonwealth's land area while providing assistance to a variety of local, state and federal entities. The State Police is normally called upon whenever a medium to large-scale emergency situation occurs within the commonwealth. The department classifies emergency assistance into two separate categories: civil disorder and emergency management.

Civil disorders are incidents that are or may become criminal in nature, such as prison disturbances, labor disorders, strikes, educational campus disorders, youth group disorders, terrorism and hostage situations. Emergency management is the prevention, mitigation and response to natural or man-made hazards to prevent loss of life or property, economic loss, and disruption of normal living conditions.

The State Police Watch Center provides situational awareness of emergencies to all levels of the department by establishing a standard alert condition procedure. The Statewide Radio Network Division, known as PA-STARNet, develops and manages the two-way public safety radio system used by the State Police and various other commonwealth agencies. PA-STARNet is connected by an extensive microwave network, carrying voice and data communications for public safety and emergency response across the commonwealth.

The State Police administers and coordinates numerous homeland and domestic security responsibilities. The department's primary mission in this area includes emergency planning and preparedness, continuity of operations, National Incident Management System implementation, liaison to the Pennsylvania Emergency Management Agency, nuclear and radiological security, school safety support, facility security for department installations, risk and vulnerability assessments for commercial/public facilities and critical infrastructures, and management of federal homeland security grants.

The department's Special Emergency Response Team is responsible for an incident-specific approach to high-risk and special emergency situations. K-9 detection teams provide drug, explosive and human remains detection during emergency and disaster incidents. The department's aircraft fleet provides assistance, search-and-rescue operations, and enforcement during emergencies. The department provides response and render-safe operations for suspicious packages and improvised explosive devices, along with security-sweep operations. The department's tactical mounted resources include 28 horses and several specialty transport vehicles that support large-scale security and emergency operations. The Clandestine Laboratory Response Team is responsible for coordinating the safe and effective response to all clandestine laboratory incidents and hazardous indoor marijuana growing operations investigated by the State Police.

Program Element: Liquor Control and Gaming Enforcement

The State Police directs and controls a coordinated enforcement effort toward violations of the Pennsylvania Liquor Code and related sections of the Crimes Code. Operations include covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, and performing establishment audits and border patrols. The State Police is responsible for investigating and prosecuting criminal infractions, conducting various background checks and providing overall law enforcement services at Pennsylvania's gaming facilities.

Program Element: Management

The department's management program provides direction and coordination for all line and staff activities including administrative and overhead systems for the operation of various law enforcement programs.

State-of-the-art technology continues to automate a broad range of department functions. The Commonwealth Law Enforcement Assistance Network is utilized by the commonwealth's criminal justice agencies to access driver license and motor vehicle information, state and federal criminal history record information, protection-from-abuse orders, stolen item queries, wanted persons files, and a host of other law enforcement services.

The Pennsylvania Criminal Intelligence Center provides analytical assistance to Pennsylvania law enforcement agencies, emergency managers, and the owners and operators of critical infrastructure.

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND AND MOTOR LICENSE FUND COMBINED:			
	General Government Operations	\$ 102	Municipal Police Training
\$ 58,632	—to continue current program.		—to continue current program.
7,156	—Initiative—Trooper Replacement Cadet Classes. Funding for cadet class schedule, including three new classes beginning in 2016-17.	\$ 3,206	Gun Checks
			—to continue current program.
\$ 65,788	<i>Appropriation Increase</i>	\$ 576	Commercial Vehicle Inspections
			—to continue current program.
Statewide Public Safety Radio System			
\$ 158	—to continue current program.		
11,620	—Initiative—Statewide Radio System upgrade.		
\$ 11,778	<i>Appropriation Increase</i>		

Automated Fingerprint Identification System, Law Enforcement Information Technology, Patrol Vehicles and Municipal Police Training Grants appropriations are recommended at the current year funding levels.

In addition, funding for the Pennsylvania Instant Check System includes \$3,030,000 from the Firearm Records Check restricted account.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
General Government Operations	\$ 204,628	\$ 229,195	\$ 245,642	\$ 255,468	\$ 265,686	\$ 276,314	\$ 287,366
Statewide Public Safety Radio System	5,703	6,004	8,956	11,560	11,621	11,682	9,111
Law Enforcement Information Technology	6,372	6,899	6,899	6,899	6,899	6,899	6,899
Municipal Police Training.....	998	1,256	1,314	1,327	1,340	1,353	1,367
Forensic Laboratory Support.....	1,500	0	0	0	0	0	0
Automated Fingerprint Identification System	861	861	861	861	861	861	861
Gun Checks.....	1,000	1,658	4,864	5,013	5,063	5,113	5,165
TOTAL GENERAL FUND	\$ 221,062	\$ 245,873	\$ 268,536	\$ 281,128	\$ 291,470	\$ 302,222	\$ 310,769
MOTOR LICENSE FUND:							
General Government Operations	\$ 613,884	\$ 687,585	\$ 736,926	\$ 766,403	\$ 797,059	\$ 828,941	\$ 862,099
Statewide Public Safety Radio System	17,109	18,042	26,868	34,679	34,862	35,047	27,332
Law Enforcement Information Technology	19,116	20,697	20,697	20,697	20,697	20,697	20,697
Municipal Police Training.....	1,039	1,270	1,314	1,327	1,340	1,353	1,367
Automated Fingerprint Identification System	85	85	85	85	85	85	85
Patrol Vehicles.....	11,000	12,000	12,000	12,000	12,000	12,000	12,000
Commercial Vehicle Inspections.....	8,885	10,479	11,055	11,497	11,957	12,435	12,932
Municipal Police Training Grants.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND.....	\$ 676,118	\$ 755,158	\$ 813,945	\$ 851,688	\$ 883,000	\$ 915,558	\$ 941,512

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Program: Public Protection and Law Enforcement							
Objective: Reduce motor vehicle crashes.							
Vehicle Traffic Supervision							
Number of motor vehicle crashes	79,429	78,100	76,800	75,500	74,200	72,900	71,700
Traffic citations issued	582,169	592,000	602,000	611,000	621,000	632,000	642,000
Written warnings issued for traffic violations	286,726	292,000	296,000	301,000	306,000	311,000	316,000
Vehicle Standards Control							
Commercial vehicle safety inspections	82,251	83,600	85,000	86,400	87,800	89,200	90,700
Percentage of commercial vehicle safety inspections resulting in vehicles being placed out of service	12%	12%	12%	12%	12%	12%	12%
Objective: Reduce fatal motor vehicle crashes.							
Vehicle Traffic Supervision							
Number of fatal motor vehicle crashes	593	580	570	560	550	550	540
Traffic citations issued for occupant restraint violations	19,030	19,300	19,700	20,000	20,300	20,600	21,000
Objective: Reduce DUI-related crashes.							
Vehicle Traffic Supervision							
DUI-related crashes	4,459	4,390	4,310	4,240	4,170	4,100	4,020
DUI arrests	17,918	18,200	18,500	18,800	19,100	19,400	19,800
DUI sobriety checkpoints	183	190	190	190	200	200	200
Objective: Reduce violent crime.							
Criminal Law Enforcement and Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Number of violent crimes per 100,000 population	103	102	100	98	96	95	93
Arrests for violent crimes per 100,000 population	76	77	78	80	81	82	84
Percentage of violent crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	69%	70%	71%	72%	74%	75%	76%
Enforcement and Investigation							
Megan's Law - registered sex offenders	18,066	18,400	18,700	19,000	19,300	19,600	19,900

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Crime Lab							
Convicted offender DNA submissions	18,079	18,400	18,700	19,000	19,300	19,600	19,900
DNA evidence submissions	2,416	2,460	2,500	2,540	2,580	2,620	2,660
Criminal suspects identified through DNA evidence submissions	846	860	870	890	900	920	930
Background Checks							
Pennsylvania Instant Check System firearms purchase background checks	909,598	920,000	920,000	920,000	920,000	920,000	920,000
Pennsylvania Instant Check System firearms purchase initial denials	11,101	11,300	11,300	11,300	11,300	11,300	11,300
Emergency Preparedness and Response							
Requests for Special Emergency Response Team	197	200	200	200	200	200	200

Objective: Reduce property crime.

Criminal Law Enforcement and Crime Prevention

Crimes per 100,000 population in State Police jurisdiction areas:

Number of property crimes per 100,000 population	977	960	940	930	910	900	880
Arrests for property crimes per 100,000 population	288	290	300	300	310	310	320
Percentage of property crimes cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	33%	34%	34%	35%	35%	36%	36%

Crime Lab

Fingerprint card submissions	958,858	970,000	990,000	1,010,000	1,020,000	1,040,000	1,060,000
Number of latent prints identified to criminal suspects	3,649	3,710	3,770	3,830	3,900	3,960	4,020

Objective: Achieve and maintain a clearance rate at or above the state and national averages for Crime Index offenses.

Criminal Law Enforcement and Crime Prevention

Crimes per 100,000 population in State Police jurisdiction areas:

Crime Index offenses per 100,000 population	1,080	1,060	1,040	1,030	1,010	990	980
Arrests for Crime Index offenses per 100,000 population	364	370	380	380	390	400	400
Percentage of Crime Index offenses cleared (i.e. cases solved and prosecuted or disposed of through other legal means)	37%	37%	38%	38%	39%	40%	40%

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Increase drug enforcement efforts.

Enforcement and Investigation

Drug offenses	9,062	8,910	8,760	8,610	8,470	8,320	8,180
Drug-related arrests	7,433	7,560	7,680	7,810	7,940	8,070	8,200
Clandestine Laboratory Response Team deployments for illegal drug manufacturing facilities (e.g. methamphetamine labs, etc.)	278	280	290	290	300	300	310

Crime and Terrorism Tip Lines

Drug tips	663	670	690	700	710	720	730
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Objective: Increase compliance with liquor laws at licensed establishments.

Liquor Control Enforcement

Liquor law investigations	41,421	42,100	42,800	43,500	44,200	44,900	45,700
Routine liquor law inspections	4,590	4,670	4,740	4,820	4,900	4,980	5,060
Liquor law violations	14,442	14,200	14,000	13,700	13,500	13,300	13,000
Administrative citation letters issued for liquor law violations	2,459	2,420	2,380	2,340	2,300	2,260	2,220
Administrative warning letters issued for liquor law violations	3,002	2,950	2,900	2,850	2,800	2,760	2,710

Objective: Prevent terrorist attacks from occurring within the commonwealth through effective analysis and assessment of potential domestic terrorism threats.

Crime and Terrorism Tip Lines

Terrorism tips	277	280	280	280	280	280	280
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Emergency Preparedness and Response

Requests for Hazardous Device and Explosives Section services	254	260	260	270	270	280	280
Domestic terrorism threat assessments conducted	59	60	60	60	60	60	60

Objective: Ensure intelligence information obtained concerning criminal activity and possible terrorism is shared with law enforcement agencies throughout the commonwealth.

Enforcement and Investigation

Municipal law enforcement agencies receiving information from the Pennsylvania Criminal Intelligence Center	1,056	1,070	1,090	1,110	1,130	1,150	1,160
Requests for intelligence information from Pennsylvania Criminal Intelligence Center	27,275	27,700	28,200	28,600	29,100	29,600	30,100
Intelligence products disseminated by the Pennsylvania Criminal Intelligence Center	54,290	55,200	56,100	57,000	58,000	58,900	59,900
CLEAN/NCIC confirmed responses (i.e. computer checks resulting in the identification of wanted persons, stolen property, etc.)	83,624	85,000	86,400	87,800	89,300	90,700	92,200

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Objective: Ensure the rapid collection and appropriate dissemination of accurate information on emergency situations throughout the commonwealth.

Emergency Preparedness and Response

Municipal public safety agencies receiving immediate reports from the Department Watch Center	1,256	1,280	1,300	1,320	1,340	1,360	1,390
Department Watch Center immediate reports	2,390	2,430	2,470	2,510	2,550	2,590	2,640

Objective: Augment our enforcement efforts through public education programs aimed at preventing crime and reducing motor vehicle crashes.

Criminal Law Enforcement and Crime Prevention

Community-based crime prevention programs (total)	2,289	2,330	2,370	2,400	2,440	2,480	2,520
Community-based crime prevention programs targeting violent crime	907	920	940	950	970	980	1,000
Community-based crime prevention programs targeting property crime	420	430	430	440	450	460	460
Community-based drug-prevention programs	260	260	270	270	280	280	290
Other community-based crime prevention programs	702	710	730	740	750	760	770

Vehicle Traffic Supervision

Traffic safety education programs (total)	2,472	2,510	2,550	2,600	2,640	2,680	2,730
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Objective: Increase the effectiveness of the Pennsylvania Statewide Radio Network (PA-STARNet).

Public Safety Radio System

Average monthly transmissions on PA-STARNet	3,965,184	4,030,000	4,100,000	4,160,000	4,230,000	4,300,000	4,370,000
Radios deployed statewide	29,126	29,600	30,100	30,600	31,100	31,600	32,100
High-profile site locations on air	258	258	258	258	258	258	258
Microcell site locations on air	773	773	773	773	773	773	773

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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 Goals

Transportation Support Services: *To provide an effective administrative system supporting both non-highway and highway transportation programs.*

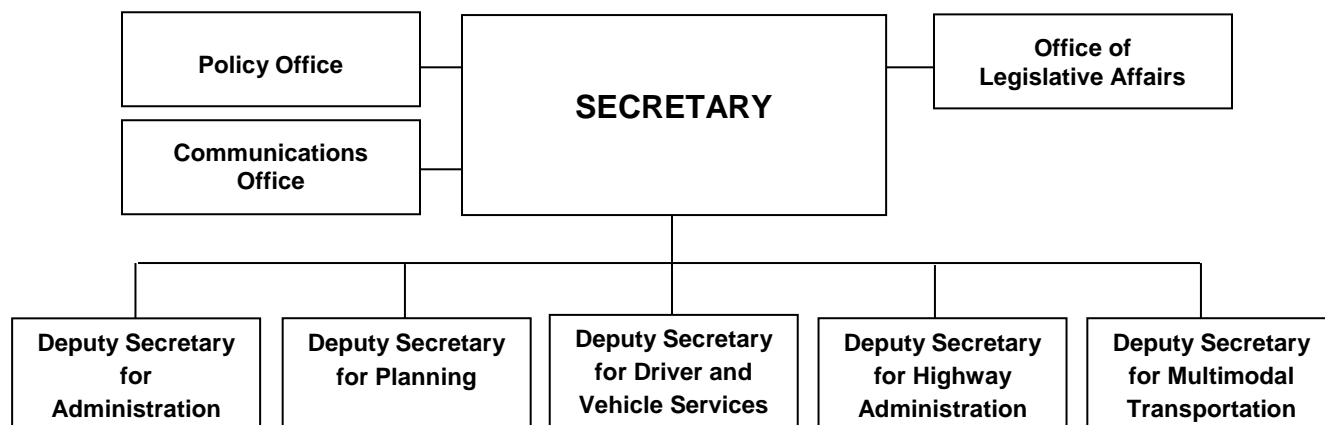
Highways and Bridges: *To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.*

Local Highway and Bridge Assistance: *To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.*

Multimodal Transportation: *To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.*

Driver and Vehicle Services: *To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.*

Organization Overview



- **Deputy Secretary for Administration** provides leadership and direction for the bureaus of Human Resources, Information Systems Technology Office, Transportation Innovations Office, Fiscal Management, Office Services, Equal Opportunity, and Tourism Services.
- **Deputy Secretary for Planning** is responsible for statewide transportation planning and programming activities and for developing and managing the commonwealth's multi-modal Twelve Year Transportation Program. Key to these activities is the management of federal highway and bridge funds, which leverage a construction program of \$1.25 billion per year.
- **Deputy Secretary for Driver and Vehicle Services** oversees nearly 1,200 driver and vehicle services employees who provide quality customer service, while keeping the safety and security of the commonwealth's 8.7 million licensed drivers and 11.3 million registered vehicle owners a paramount focus.
- **Deputy Secretary for Highway Administration** directs a team of over 9,600 employees in central office and eleven engineering districts. Responsibilities include oversight of maintenance, operations, design and construction of Pennsylvania's highways and bridges.
- **Deputy Secretary for Multimodal Transportation** supports public transportation, intercity bus, intercity rail, rail freight, ports and aviation to improve the mobility and quality of life for all Pennsylvanians.

Authorized Complement

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
11,876	11,876	11,876	11,883	11,883

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Vehicle Sales Tax Collections.....	\$ 904	\$ 1,024	\$ 977
Voter Registration.....	504	529	529
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	4,605	4,612 ^a	4,608
Total - General Government.....	\$ 6,013	\$ 6,165	\$ 6,114
<i>Grants and Subsidies:</i>			
(F)FTA - Technical Studies.....	\$ 576	\$ 0	\$ 0
(F)Title IV Rail Assistance.....	36	36	36
(F)Surface Transportation Assistance.....	750	750	750
(F)FTA - Capital Improvement Grants.....	32,000	32,000	32,000
(F)TEA 21 - Access to Jobs.....	8,000	8,000	8,000
(F)Surface Transportation - Operating.....	18,000	26,000	26,000
(F)Rail Line Relocation.....	18,000	14,000	14,000
(F)FTA - Safety Oversight.....	1,500	4,212	4,212
(F)FTA - Capital Improvements.....	40,000	40,000	40,000
(F)FTA - Hybrid Mass Transit Vehicles.....	30,000	30,000	30,000
(F)Rail Line Relocation.....	6,002	6,002	6,002
(F)ARRA - National Railroad Passenger Corporation.....	20,000	20,000	20,000
(F)ARRA - Supplemental Rail Freight Projects.....	22,000	22,000	22,000
(F)ARRA - High Speed Rail.....	50,000	50,000	50,000
Total - Grants and Subsidies.....	\$ 246,864	\$ 253,000	\$ 253,000
STATE FUNDS.....	\$ 6,013	\$ 6,165	\$ 6,114
FEDERAL FUNDS.....	246,864	253,000	253,000
GENERAL FUND TOTAL.....	\$ 252,877	\$ 259,165	\$ 259,114
MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 55,119	\$ 57,124	\$ 58,586
(A)Reimbursements.....	1,020	1,136	1,136
(A)Duplicating Services.....	480	300	300
(A)Administrative Hearings.....	3	40	40
Welcome Centers.....	3,480	3,730	3,900
Subtotal.....	\$ 60,102	\$ 62,330	\$ 63,962
Highway and Safety Improvements.....	225,000	268,000	137,000
(F)Highway Research, Planning and Construction.....	991,001	975,000	975,000
(A)Proceeds from Bond Sales - Highway Projects.....	145,000	195,000	160,000
(A)Highway Construction Contributions and Reimbursements.....	9,633	13,000	13,000
(A)Proceeds from Sale of Right-of-Way.....	1,577	0	0
(A)Joint Use Leases.....	443	0	0
(A)Licensing Fees - Engineering Software.....	27	0	0
Highway Capital Projects (EA).....	220,000	220,000	220,000
(R)Highway Capital Projects - Excise Tax (EA).....	210,230	301,530	368,932
(R)Bridges - Excise Tax (EA).....	91,135	114,271	119,860
(R)Highway Bridge Projects (EA).....	130,000	180,000	180,000
(F)Federal Aid - Highway Bridge Projects.....	429,786	500,000	500,000
(A)Proceeds from Bond Sales - Bridge Projects.....	20,057	0	0
(A)Bridge Construction Contributions.....	3,447	2,800	2,800
(A)Reimbursements From Local Governments.....	83	200	200
Subtotal.....	\$ 2,477,419	\$ 2,769,801	\$ 2,676,792

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Highway Maintenance	872,426	866,000	908,899
(F)Highway Research, Planning and Construction.....	111,750	150,000	150,000
(F)Disaster Recovery - FHWA.....	1,549	12,500	12,500
(F)Disaster Recovery - FEMA.....	7,354	12,500	12,500
(F)Highway Safety - Maintenance (EA).....	4,000	4,000	4,000
(A)Highway Maintenance Contributions.....	7,471	20,000	20,000
(A)Sale of Equipment and Supplies.....	4,168	5,100	5,100
(A)Accident Damage Claims.....	5,519	0	0
(A)Marcellus Shale Road Damage.....	1,437	0	0
(A)Heavy Hauling - Bonded Roads.....	472	0	0
(A)Recovered Permit Compliance Cost.....	246	0	0
(A)Reimbursements.....	145	0	0
(R)Highway Maintenance - Excise Tax (EA).....	204,817	221,652	169,426
(R)Highway Maintenance Enhancement (EA).....	241,984	248,655	257,916
(R)Expanded Highway and Bridge Maintenance (EA).....	191,168	296,335	310,258
(A)Expanded Maintenance Contributions.....	2,175	6,900	1,000
Reinvestment in Facilities	16,000	16,000	16,000
Subtotal.....	\$ 1,672,681	\$ 1,859,642	\$ 1,867,599
Driver and Vehicle Services	135,380	147,295	157,971
(F)Motor Carrier Safety Improvement (EA).....	2,510	1,000	1,000
(F)REAL ID (EA).....	4,800	0	0
(F)Judicial Outreach Liaison (EA).....	50	50	50
(F)Pedestrian Safety (EA).....	525	525	525
(A)Photo ID Program.....	27,488	28,000	28,000
(A)Postage.....	590	474	474
(A)Reimbursements.....	274	391	391
(A)Emission Mechanic Training Course Fees.....	4	35	35
Subtotal.....	\$ 171,621	\$ 177,770	\$ 188,446
(R)Aviation Operations.....	4,104	4,104	3,219
(F)Aviation Planning (EA).....	516	516	516
(F)Airport Inspections (EA).....	30	30	30
(A)Reimbursement - Flight Operations.....	443	460	460
(A)Airport Inspections and Licensing.....	41	40	40
Subtotal.....	\$ 5,134	\$ 5,150	\$ 4,265
Subtotal - State Funds.....	\$ 1,527,405	\$ 1,578,149	\$ 1,502,356
Subtotal - Federal Funds.....	1,553,871	1,656,121	1,656,121
Subtotal - Augmentations.....	232,243	273,876	232,976
Subtotal - Restricted Revenues.....	1,073,438	1,366,547	1,409,611
Total - General Government.....	\$ 4,386,957	\$ 4,874,693	\$ 4,801,064
Grants and Subsidies:			
Local Road Maintenance and Construction Payments.....	\$ 207,191	\$ 238,503	\$ 248,235
Supplemental Local Road Maintenance & Construction Payments.....	5,000	5,000	5,000
Municipal Roads and Bridges.....	30,000	30,000	30,000
Maintenance and Construction of County Bridges.....	5,000	5,000	5,000
Municipal Traffic Signals.....	10,000	25,000	40,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
(R)Local Road Payments - Excise Tax (EA).....	80,804	105,406	110,642
(R)Payments to Municipalities (EA).....	58,248	73,953	77,495
(R)Local Grants for Bridge Projects (EA).....	25,000	25,000	25,000
(F)Federal Aid - Local Grants for Bridge Projects.....	5,257	12,500	12,500
(A)Bridge Reimbursements From Local Governments.....	16	100	100
(R)Local Bridge Projects (EA).....	12,110	18,840	23,400
(R)County Bridges - Excise Tax (EA).....	17,073	21,950	21,619
(F)Federal Aid - County Bridges.....	124	200	200
(R)County Bridge Projects - Marcellus Shale (EA).....	20,525	20,550	16,851
(R)Toll Roads - Excise Tax (EA).....	98,172	114,852	133,179
(R)Annual Maintenance Payments - Highway Transfer (EA).....	18,992	19,032	19,088
(R)Restoration Projects - Highway Transfer (EA).....	11,000	11,000	11,000

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
(R)Airport Development.....	6,000	6,000	5,500
(F)Airport Development (EA).....	21,000	21,000	21,000
(R)Real Estate Tax Rebate.....	250	250	250
Subtotal.....	<u>\$ 659,762</u>	<u>\$ 782,136</u>	<u>\$ 834,059</u>
Subtotal - State Funds.....	\$ 285,191	\$ 331,503	\$ 356,235
Subtotal - Federal Funds.....	26,381	33,700	33,700
Subtotal - Augmentations.....	16	100	100
Subtotal - Restricted Revenues.....	348,174	416,833	444,024
Total - Grants and Subsidies.....	<u>\$ 659,762</u>	<u>\$ 782,136</u>	<u>\$ 834,059</u>
Refunds:			
Refunding Collected Monies (EA).....	<u>\$ 1,350</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Subtotal.....	<u>\$ 1,350</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
STATE FUNDS.....	\$ 1,813,946	\$ 1,912,152	\$ 1,861,091
FEDERAL FUNDS.....	1,580,252	1,689,821	1,689,821
AUGMENTATIONS.....	232,259	273,976	233,076
RESTRICTED REVENUES.....	1,421,612	1,783,380	1,853,635
MOTOR LICENSE FUND TOTAL.....	<u>\$ 5,048,069</u>	<u>\$ 5,659,329</u>	<u>\$ 5,637,623</u>
LOTTERY FUND:			
Grants and Subsidies:			
Older Pennsylvanians Shared Rides (EA).....	\$ 82,975	\$ 85,975	\$ 82,975
Transfer to Public Transportation Trust Fund (EA).....	94,443	95,907	95,907
Total - Grants and Subsidies.....	<u>\$ 177,418</u>	<u>\$ 181,882</u>	<u>\$ 178,882</u>
LOTTERY FUND TOTAL.....	<u>\$ 177,418</u>	<u>\$ 181,882</u>	<u>\$ 178,882</u>
OTHER FUNDS:			
GENERAL FUND:			
Reimbursements to Municipalities - Vehicle Code Fines.....	\$ 6,165	\$ 6,500	\$ 6,500
Federal Grants - Railroad Freight Rehabilitation.....	0	200	200
Child Passenger Restraint Fund.....	350	300	300
GENERAL FUND TOTAL.....	<u>\$ 6,515</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program.....	\$ 14,321	\$ 15,000	\$ 15,000
Reimbursements to Other States - Apportioned Registration.....	15,731	18,000	18,000
Federal Reimbursements - Local Bridge Projects.....	75,436	75,000	75,000
Motorcycle Safety Education.....	4,861	5,000	5,000
Federal Reimbursements - Political Subdivisions.....	131,059	140,000	140,000
PA Unified Certification.....	10	10	10
CDL - Hazardous Material Fees.....	417	500	500
Fee for Local Use.....	0	500	500
Red Light Photo Enforcement.....	7,827	7,000	7,000
Delegated Facility Projects.....	0	5,000	5,000
MOTOR LICENSE FUND TOTAL.....	<u>\$ 249,662</u>	<u>\$ 266,010</u>	<u>\$ 266,010</u>

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
HIGHWAY BEAUTIFICATION FUND:			
Control of Outdoor Advertising (EA).....	\$ 408	\$ 408	\$ 408
LIQUID FUELS TAX FUND:			
Payments to Counties.....	\$ 29,485	\$ 31,187	\$ 31,619
Auditor General's Audit Costs (EA).....	700	700	700
LIQUID FUELS TAX FUND TOTAL.....	\$ 30,185	\$ 31,887	\$ 32,319
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation.....	\$ 46	\$ 80	\$ 80
MULTIMODAL TRANSPORTATION FUND:			
Aviation Grants (EA).....	\$ 6,000	\$ 6,003	\$ 6,003
Rail Freight Grants (EA).....	10,000	10,005	10,005
Passenger Rail Grants (EA).....	8,000	8,004	8,004
Ports and Waterways Grants (EA).....	10,000	10,005	10,005
Bicycle and Pedestrian Facilities Grants (EA).....	2,000	2,001	2,001
Statewide Programs Grants (EA).....	20,000	40,000	40,000
Multimodal Administration and Oversight (EA).....	2,200	3,688	2,788
(A)Reimbursements.....	10	0	0
Transfer to Commonwealth Financing Authority (EA).....	39,172	59,160	60,060
PennPORTS-Philadelphia Regional Port Authority Debt Service.....	0	0 ^b	0
MULTIMODAL TRANSPORTATION FUND TOTAL.....	\$ 97,382	\$ 138,866	\$ 138,866
PENNSYLVANIA INFRASTRUCTURE BANK FUND:			
Infrastructure Bank Loans (EA).....	\$ 30,000	\$ 30,000	\$ 30,000
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Mass Transit (EA).....	\$ 188,250	\$ 183,519	\$ 204,271
Transfer to Public Transportation Trust Fund (EA).....	0 ^c	0 ^c	0 ^c
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....	\$ 188,250	\$ 183,519	\$ 204,271
PUBLIC TRANSPORTATION TRUST FUND:			
Mass Transit Operating (EA).....	\$ 702,983 ^d	\$ 766,093 ^d	\$ 791,093 ^d
Asset Improvement (EA).....	309,300	515,156	299,000
Capital Improvement (EA).....	19,500	12,000	0
Programs of Statewide Significance (EA).....	82,717	79,000	80,000
Transit Administration and Oversight (EA).....	4,488	4,488	4,488
PUBLIC TRANSPORTATION TRUST FUND TOTAL.....	\$ 1,118,988	\$ 1,376,737	\$ 1,174,581
UNCONVENTIONAL GAS WELL FUND:			
Rail Freight Assistance.....	\$ 1,000	\$ 1,000	\$ 1,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 6,013	\$ 6,165	\$ 6,114
SPECIAL FUNDS.....	1,991,364	2,094,034	2,039,973
FEDERAL FUNDS.....	1,827,116	1,942,821	1,942,821
AUGMENTATIONS.....	232,259	273,976	233,076
RESTRICTED.....	1,421,612	1,783,380	1,853,635
OTHER FUNDS.....	1,722,436	2,035,507	1,854,535
TOTAL ALL FUNDS.....	\$ 7,200,800	\$ 8,135,883	\$ 7,930,154

^a Includes recommended supplemental appropriation of \$4,612,000.

^b Reflects recommended appropriation reduction of \$4,612,000.

^c Not added to the total to avoid double counting: 2014-15 Actual is \$19,082,000, 2015-16 Available is \$18,713,000 and 2016-17 Budget is \$20,329,000.

^d Lottery Fund Transfer to Public Transportation Trust Fund not added to the total to avoid double counting: 2014-15 Actual is \$94,443,000, 2015-16 Available is \$95,907,000 and 2016-17 Budget is \$95,907,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	56,469	59,624	61,086	61,672	62,264	62,862	63,466
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	1,863	1,786	1,786	1,786	1,786	1,786	1,786
SUBCATEGORY TOTAL.....	<u>\$ 58,332</u>	<u>\$ 61,410</u>	<u>\$ 62,872</u>	<u>\$ 63,458</u>	<u>\$ 64,050</u>	<u>\$ 64,648</u>	<u>\$ 65,252</u>
HIGHWAYS AND BRIDGES							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	1,364,906	1,401,730	1,313,799	1,359,481	1,334,486	1,330,825	1,327,136
FEDERAL FUNDS.....	1,545,440	1,654,000	1,654,000	1,654,000	1,654,000	1,654,000	1,654,000
OTHER FUNDS.....	1,414,552	1,771,203	1,792,579	1,750,259	1,764,284	1,776,357	1,787,832
SUBCATEGORY TOTAL.....	<u>\$ 4,324,898</u>	<u>\$ 4,826,933</u>	<u>\$ 4,760,378</u>	<u>\$ 4,763,740</u>	<u>\$ 4,752,770</u>	<u>\$ 4,761,182</u>	<u>\$ 4,768,968</u>
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	257,191	303,503	328,235	335,345	349,378	347,351	349,426
FEDERAL FUNDS.....	5,381	12,700	12,700	12,700	12,700	12,700	12,700
OTHER FUNDS.....	494,440	556,718	566,514	582,116	584,284	586,251	588,104
SUBCATEGORY TOTAL.....	<u>\$ 757,012</u>	<u>\$ 872,921</u>	<u>\$ 907,449</u>	<u>\$ 930,161</u>	<u>\$ 946,362</u>	<u>\$ 946,302</u>	<u>\$ 950,230</u>
MULTIMODAL TRANSPORTATION							
GENERAL FUND.....	\$ 4,605	\$ 4,612	\$ 4,608	\$ 4,609	\$ 4,606	\$ 4,607	\$ 4,608
SPECIAL FUNDS.....	177,418	181,882	178,882	178,882	178,882	178,882	178,882
FEDERAL FUNDS.....	268,410	274,546	274,546	274,546	274,546	274,546	274,546
OTHER FUNDS.....	1,416,458	1,711,176	1,528,387	1,578,815	1,614,662	1,639,940	1,660,179
SUBCATEGORY TOTAL.....	<u>\$ 1,866,891</u>	<u>\$ 2,172,216</u>	<u>\$ 1,986,423</u>	<u>\$ 2,036,852</u>	<u>\$ 2,072,696</u>	<u>\$ 2,097,975</u>	<u>\$ 2,118,215</u>
DRIVER AND VEHICLE SERVICES							
GENERAL FUND.....	\$ 1,408	\$ 1,553	\$ 1,506	\$ 1,521	\$ 1,537	\$ 1,552	\$ 1,567
SPECIAL FUNDS.....	135,380	147,295	157,971	158,303	154,112	156,956	156,761
FEDERAL FUNDS.....	7,885	1,575	1,575	1,575	1,575	1,575	1,575
OTHER FUNDS.....	48,994	51,980	51,980	51,980	51,980	51,980	51,980
SUBCATEGORY TOTAL.....	<u>\$ 193,667</u>	<u>\$ 202,403</u>	<u>\$ 213,032</u>	<u>\$ 213,379</u>	<u>\$ 209,204</u>	<u>\$ 212,063</u>	<u>\$ 211,883</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,013	\$ 6,165	\$ 6,114	\$ 6,130	\$ 6,143	\$ 6,159	\$ 6,175
SPECIAL FUNDS.....	1,991,364	2,094,034	2,039,973	2,093,683	2,079,122	2,076,876	2,075,671
FEDERAL FUNDS.....	1,827,116	1,942,821	1,942,821	1,942,821	1,942,821	1,942,821	1,942,821
OTHER FUNDS.....	3,376,307	4,092,863	3,941,246	3,964,956	4,016,996	4,056,314	4,089,881
DEPARTMENT TOTAL.....	<u>\$ 7,200,800</u>	<u>\$ 8,135,883</u>	<u>\$ 7,930,154</u>	<u>\$ 8,007,590</u>	<u>\$ 8,045,082</u>	<u>\$ 8,082,170</u>	<u>\$ 8,114,548</u>

Program: Transportation Support Services

Goal: To provide an effective administrative system supporting both non-highway and highway transportation programs.

This program provides for administrative and overhead services that support the operation of activities necessary for the achievement of commonwealth transportation goals and objectives.

The General Government Operations appropriation within the Motor License Fund develops general guidelines for highway-related activities while directing and coordinating construction, maintenance and safety functions discussed under the Highways and Bridges program and the Driver and Vehicle Services program. Managerial responsibilities include providing support in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. A central municipal services staff handles grant allocations to local

governments and coordinates highway transfer activities which are discussed under the Local Highway and Bridge Assistance program. In addition, the State Transportation Commission and the Transportation Advisory Committee are funded within this appropriation.

Funding for direct supervision and oversight of aviation, mass transportation, rail freight, ports and waterways, and bicycle and pedestrian facilities activities is shown under the Multimodal Transportation program.

The Refunding Collected Monies appropriation provides for refunds of Motor License Fund overpayments associated with operator licenses, vehicle registrations, and safety inspection stickers.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations
\$ 1,462 —to continue current program.

Refunding Collected Monies is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
MOTOR LICENSE FUND:							
General Government Operations	\$ 55,119	\$ 57,124	\$ 58,586	\$ 59,172	\$ 59,764	\$ 60,362	\$ 60,966
Refunding Collected Monies (EA)	1,350	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL MOTOR LICENSE FUND.....	\$ 56,469	\$ 59,624	\$ 61,086	\$ 61,672	\$ 62,264	\$ 62,862	\$ 63,466

Program: Highways and Bridges

Goal: To provide a safe and efficient state-administered highway network through road and bridge improvements, as well as through ongoing maintenance activities including winter traffic services.

Program Element: Highway and Bridge Construction/Reconstruction

This program contributes to the economic vitality of the commonwealth and to the mobility of its residents through major reconstruction or construction of highways and bridges on the state-owned network. The commonwealth is responsible for nearly 40,000 miles of roadway and approximately 25,000 state-owned bridges that are more than eight feet in length.

Work is performed on heavily traveled interstate and primary routes, as well as on state roads and bridges that are not part of the federal aid system. With funding available from federal aid, local construction contributions and state revenues, the Department of Transportation has the responsibility of developing and executing a program that will correct the most critical deficiencies on the state-administered roadway network, including projects to enhance safety and mobility.

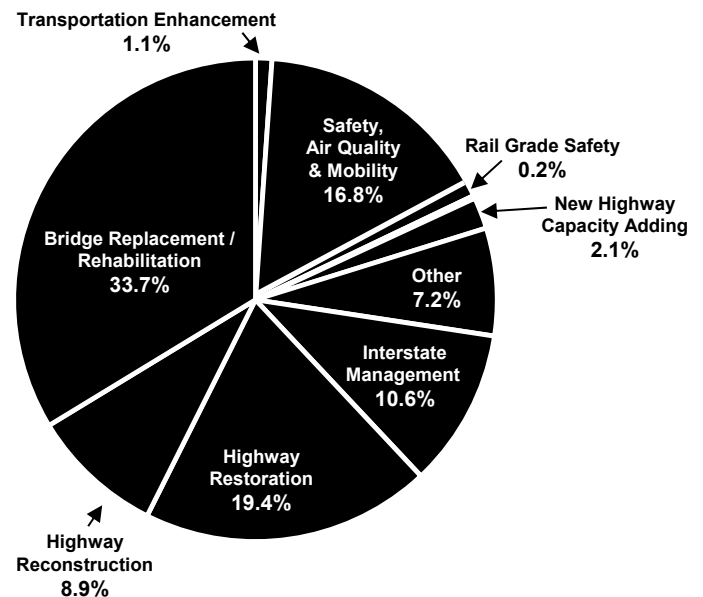
Federal surface transportation legislation authorizes grants to states and also addresses planning, program development and management. The department, the State Transportation Commission and the Metropolitan and Rural Transportation Planning Organizations closely coordinate public input and public comment 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.

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. Maintenance work is performed by the department or by private contractors. Roadway treatments that prolong the useful life of existing infrastructure 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

Current Four-Year Project Distribution (October 2014 – September 2018)



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.

Unscheduled maintenance services must be performed in response to flooding, wind storms, landslides, sinkholes and similar acts of nature. These include clean-up and repair of storm damage, which can range from isolated low-cost work to significant restoration projects across many counties. An event that is declared a national disaster becomes eligible for federal assistance, which typically covers approximately half of the total costs incurred. Owners of motor vehicles that cause damage to bridges, guidrails or other transportation assets are required to reimburse the maintenance program for the costs incurred as a result of an accident.

Program: Highways and Bridges (continued)

The department issues special hauling permits to truck operators with excess weight or size loads for the use of specific highways and bridges. By issuing these permits, the department is able to facilitate the movement of goods over Pennsylvania's roadways without adversely affecting the structural integrity of highways and bridges or the safe and convenient passage of traffic.

An accident analysis program uses computer software to identify those highway locations that have experienced more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles

run off the road or hit fixed objects. These programs provide a systematic means of selecting the highest priority sites for maintenance and reconstruction work.

A base level of state highway and bridge maintenance activity is funded by ongoing annual appropriations from the Motor License Fund. These appropriations are supplemented by a dedicated share of the Oil Company Franchise Tax. In addition, special maintenance-related appropriations may be approved for accelerated restoration, preventive maintenance and emergency repair based on the financial status of the Motor License Fund.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Welcome Centers		Highway Maintenance	
\$ 170	—to continue current program.	\$ 42,899	—to continue current program with distribution to all 67 counties through a needs-based formula.
Highway and Safety Improvement			
\$ -131,000	—to continue current program. Additional funding for highway construction is available from restricted sources and bond proceeds.		

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
MOTOR LICENSE FUND:							
Welcome Centers	\$ 3,480	\$ 3,730	\$ 3,900	\$ 3,939	\$ 3,978	\$ 4,018	\$ 4,058
Highway and Safety Improvements.....	225,000	268,000	137,000	241,000	220,000	220,000	220,000
Highway Capital Projects (EA)	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Highway Maintenance	872,426	866,000	908,899	850,542	846,508	842,807	839,078
Reinvestment in Facilities.....	16,000	16,000	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
TOTAL MOTOR LICENSE FUND.....	\$ 1,364,906	\$ 1,401,730	\$ 1,313,799	\$ 1,359,481	\$ 1,334,486	\$ 1,330,825	\$ 1,327,136

Program: Local Highway and Bridge Assistance

Goal: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.

The commonwealth provides a number of programs to assist municipal and county governments in the maintenance and construction of their approximately 78,000 miles of roadway (roughly two-thirds of Pennsylvania highways) and 6,400 bridges that are greater than twenty feet. The majority of state funds are distributed by statutory formula, while federal funds are allocated in partnership with the Metropolitan and Rural Transportation Planning Organizations.

A portion of the revenues from motor fuel taxes, certain Vehicle Code fines and other sources are directed by law to municipal payments. The distribution of funds to the commonwealth's 2,562 municipalities is made in accordance with a statutory formula based on 50 percent road mileage and 50 percent population. Grants may be used for a broad range of highway and bridge activities. The department provides technical assistance to local governments and is responsible for assuring expenditures are made in accordance with the law.

Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax and annual registration fees of commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds. For the local program, both municipalities and counties are eligible for grants on approximately 6,400 bridges greater than 20 feet long owned by these political subdivisions. Projects are selected by the Metropolitan and Rural Planning Organizations and must be approved

in the commonwealth's capital budget.

The Highway Transfer program was created to restore and turn back local service roads. Dedicated Motor License Fund revenues are received from a portion of the Oil Company Franchise Tax receipts. At the onset of the program, approximately 12,000 miles of roads on the state-owned system were identified as candidates for return to local government control. This is a voluntary program in which the department pays to upgrade a road segment to acceptable standards, transfers ownership to the political subdivision and provides a \$4,000 per mile per year subsidy for future maintenance. Since the program's inception in 1983, approximately 4,700 miles of these roads have been returned to local government control.

There are three programs specifically directed toward county governments. The largest of these is funded from 4.17 percent of the additional Oil Company Franchise Tax from Act 89 of 2013, which replaced the 12 cent flat tax. About \$31 million is distributed to the 67 counties each fiscal year based on a statutory formula. A second program is funded from a share of the Oil Company Franchise Tax to assist economically distressed counties in funding the local share of bridge improvement projects. A third program for maintenance and construction of county bridges specifies the distribution of the \$5 million annual appropriation be calculated based on the percentage of bridge deck area in each of the 67 counties compared to the total of all counties in the state.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Local Road Maintenance and Construction Payments		Municipal Traffic Signals	
\$ 9,732	—to continue current program.	\$ 15,000	—for traffic signal grant and synchronization program.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments.....	\$ 207,191	\$ 238,503	\$ 248,235	\$ 255,345	\$ 269,378	\$ 267,351	\$ 269,426
Supplemental Local Road Maintenance & Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Municipal Roads and Bridges Maintenance and Construction of County Bridges	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Municipal Traffic Signals.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	10,000	25,000	40,000	40,000	40,000	40,000	40,000
TOTAL MOTOR LICENSE FUND.....	\$ 257,191	\$ 303,503	\$ 328,235	\$ 335,345	\$ 349,378	\$ 347,351	\$ 349,426

Program: Multimodal Transportation

Goal: To support public transportation, intercity bus, intercity rail, rail freight, ports and aviation options that improve the mobility and the quality of life for urban and rural Pennsylvanians, and enhance economic activity throughout the commonwealth.

Multimodal Transportation provides support for the commonwealth's non-highway infrastructure that includes public transportation, aviation, bicycle, pedestrian, passenger and freight rail, and ports. Improvements and programs for non-highway transportation are funded through various sources.

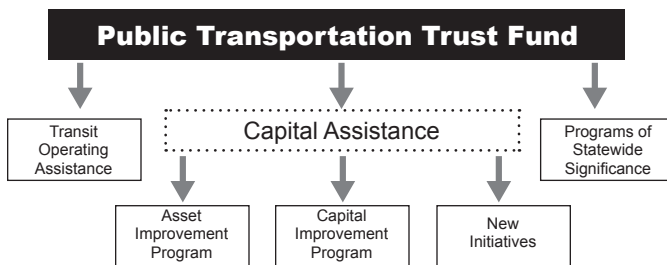
Program Element: Public Transportation

Public transportation service within Pennsylvania is provided by 37 transit systems. Operating grants to these organizations are determined by a base allocation equal to the prior year subsidy and supplemental funding distributed on four performance factors. The factors are total passengers, senior passengers, revenue vehicle miles and revenue vehicle hours.

The Asset Improvement account provides public transportation capital funding to maintain and improve vehicles, communication equipment, technology and transit facilities. Through the Programs of Statewide Significance account the commonwealth supports affordable access to demographic groups whose mobility would otherwise be more limited.

Program Element: Older Pennsylvanians Transit

The commonwealth's older citizens have benefited from greater mobility through the implementation of the Free Transit and the Shared Ride programs. Both programs are funded from a portion of the revenues received from state lottery sales.



The Free Transit Program provides free rides on participating local fixed route operations to Pennsylvanians who are 65 years of age or older, while the Shared Ride Program enables senior citizens 65 years or older to use demand responsive service at a significant fare discount. These programs both serve to enhance the ability of older Pennsylvanians to remain connected with local services and community life.

Program Element: Intercity Transportation

This program element includes intercity bus service operated by private bus companies and intercity rail passenger service operated by the National Railroad Passenger Corporation (Amtrak).

The commonwealth's intercity bus program supports operations on routes where, without state assistance, essential service would be terminated. As private operators propose termination of such services, the department evaluates the economic and social impacts of service termination and determines the merits of public subsidy. Federal funds also are used to support intercity bus operations and supplement the existing state-sponsored program.

Intercity rail passenger service in Pennsylvania, as distinguished from local or regional commuter service, is presently provided by Amtrak. The department has contracted with Amtrak to supplement Amtrak's national system schedule in the Harrisburg to Philadelphia Corridor (The Keystone) and to sustain service between Harrisburg and Pittsburgh (The Pennsylvanian).

Program Element: PennPORTS

Pennsylvania's ports provide a competitive advantage for the commonwealth in attracting and retaining business and a cost effective method of freight movement. Pennsylvania boasts a deepwater port in Philadelphia, a busy, sprawling inland port in Pittsburgh and a Great Lakes port in Erie with access to the world through the St. Lawrence Seaway, as well as a number of privately-owned and operated terminals throughout the commonwealth.

PennPORTS supports the operation and maintenance of the ports of Erie, Pittsburgh and Philadelphia as well as strategic planning and policy development. The program also works with privately-owned and operated terminals engaged in waterborne commerce to increase jobs and cargo opportunities throughout the commonwealth. The funds are distributed among the ports based upon need demonstrated through a competitive application process. State funds aid in the development of port assets to facilitate the efficient, cost effective and environmentally sound movement of goods. These assets generate port and shipping-related jobs and assist Pennsylvania firms to better compete in the global marketplace.

Program Element: Rail Freight

The department administers programs to assist railroad owners with infrastructure improvements, acquisition, accelerated maintenance and new construction. Through the Rail Freight Assistance Program and the Rail

Program: Multimodal Transportation (continued)

Transportation Assistance Program, 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 Rail Transportation Assistance Program have been used to improve track, make acquisitions and construct new rail facilities. The benefits from these programs include economic development (private investment and associated jobs), environmental quality (fuel efficiency with low emissions), less congestion on the highways (an alternate mode for goods movement) and land use opportunities (redevelopment of existing commercial sites).

The department also receives annual funding from the Unconventional Gas Well Fund to provide rail freight grants for projects related to or directly benefitting the commonwealth's Marcellus Shale gas drilling industry.

Program Element: Aviation

Aviation plays a major role in the movement of passengers and cargo throughout the commonwealth with 132 public use airports and heliports. 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. The Airport Development grant program is used for public use airports to meet safety, security, capacity, environmental and planning needs. The Real Estate Tax Rebate program allows for private and public-use airports to receive rebates on real estate taxes for land that is essential for airport public use. In addition, capital bond funds are available through the Aviation Transportation Assistance program for airports that have a public sector sponsor.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		LOTTERY FUND	
PennPORTS - Philadelphia Regional Port Authority Debt Service		Older Pennsylvanians Shared Rides (EA)	
\$	-4	\$	-3,000
—to continue current program.		—to continue current program based on transit system projections.	

Appropriations within this Program:

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
PennPORTS-Philadelphia Regional Port Authority Debt Service	\$ 4,605	\$ 4,612	\$ 4,608	\$ 4,609	\$ 4,606	\$ 4,607	\$ 4,608
LOTTERY FUND:							
Older Pennsylvanians Shared Rides (EA)	\$ 82,975	\$ 85,975	\$ 82,975	\$ 82,975	\$ 82,975	\$ 82,975	\$ 82,975
Transfer to Public Transportation Trust Fund (EA).....	94,443	95,907	95,907	95,907	95,907	95,907	95,907
TOTAL LOTTERY FUND.....	\$ 177,418	\$ 181,882	\$ 178,882	\$ 178,882	\$ 178,882	\$ 178,882	\$ 178,882
PUBLIC TRANSPORTATION TRUST FUND:							
Mass Transit Operating (EA)	\$ 702,983	\$ 766,093	\$ 791,093	\$ 796,093	\$ 806,093	\$ 819,093	\$ 834,093
Asset Improvement (EA)	309,300	515,156	299,000	329,000	349,000	354,000	354,000
Capital Improvement (EA)	19,500	12,000	0	0	0	0	0
Programs of Statewide Significance (EA) ..	82,717	79,000	80,000	80,000	80,000	80,000	80,000
Transit Administration and Oversight (EA)	4,488	4,488	4,488	4,533	4,578	4,624	4,670
TOTAL PUBLIC TRANSPORTATION TRUST FUND	\$ 1,118,988	\$ 1,376,737	\$ 1,174,581	\$ 1,209,626	\$ 1,239,671	\$ 1,257,717	\$ 1,272,763
MULTIMODAL TRANSPORTATION FUND:							
Aviation Grants (EA).....	\$ 6,000	\$ 6,003	\$ 6,003	\$ 6,363	\$ 6,363	\$ 6,745	\$ 6,745
Rail Freight Grants (EA)	10,000	10,005	10,005	10,605	10,605	11,241	11,241
Passenger Rail Grants (EA)	8,000	8,004	8,004	8,484	8,484	8,993	8,993
Ports and Waterways Grants (EA)	10,000	10,005	10,005	10,605	10,605	11,241	11,241
Bicycle and Pedestrian Facilities Grants (EA)	2,000	2,001	2,001	2,121	2,121	2,248	2,248
Statewide Programs Grants (EA)	20,000	40,000	40,000	40,000	40,000	40,000	40,000
Multimodal Administration and Oversight (EA)	2,200	3,688	2,788	2,816	2,844	2,872	2,901
Transfer to Commonwealth Financing Authority (EA)	39,172	59,160	60,060	66,057	66,029	66,169	66,140
TOTAL MULTIMODAL TRANSPORTATION FUND	\$ 97,372	\$ 138,866	\$ 138,866	\$ 147,051	\$ 147,051	\$ 149,509	\$ 149,509

Program: Driver and Vehicle Services

Goal: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Driver and Vehicle Services is responsible for a number of front-line customer services that affect most of Pennsylvania's adult population. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Pennsylvania has more than 11 million registered vehicles including individual automobiles, commercial vehicles, trailers and fleet vehicles, as well as fee-exempt vehicles owned by state and local governments and certain non-profit organizations. This total includes over 200,000 heavy trucks greater than 17,000 pounds and more than 205,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8.9 million, including 400,000 commercial drivers. Renewals are staggered so that approximately one-quarter of licensed drivers renew their license in a given year. The Driver and Vehicle Services program oversees operator and vehicular licensing activities such as testing, inspections and revocations. The department also operates the Driver's License Examination program. Over 500,000 driving knowledge and skills tests were conducted in 2014-15 to certify applicants to operate passenger and commercial vehicles and motorcycles. A statewide network of facilities conducts written, oral and skills tests. Generally, around 246,000 new drivers are licensed each year, either as first-time drivers or drivers from other states.

The Vehicle Safety Inspection program for the commonwealth's more than 11 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The commonwealth operates an annual Vehicle Emissions Inspection program in 25 counties affecting approximately 7 million vehicles. In the remaining 42 counties not required to participate in the Vehicle Emissions Inspection program, the annual Vehicle Safety Inspection program incorporates a visual anti-tampering check for the presence of federally-required emission control components that were installed on the vehicle by the manufacturer.

Pennsylvania enforcement officials are responsible for the issuance of citations for Vehicle Code violations. Approximately 460,000 of the 1.4 million citations issued in 2014-15 resulted in the department having to take

some action against a driver or vehicle record. In addition to assigning points for driver infractions, the department suspends or recalls driver's licenses for an accumulation of points. Commercial drivers may be sanctioned by having their commercial driving privilege revoked for certain offenses. This program area also administers the Motor Voter program and the commonwealth's Organ Donor program.

The department processes cancellation notices received from insurance companies. Notification of cancellation prompts the department to have registrants revalidate proper insurance coverage for the vehicle. This process, combined with the authority granted to enforcement officials to cite motorists who do not have insurance, can result in a revocation or suspension of vehicle registration or payment of a \$500 civil penalty. A total of 126,000 vehicle suspensions were imposed during 2014-15 for insurance infractions.

The department currently has 97 offices statewide offering driver examination and/or photo licensing services and is working with private business to further decentralize its driver and vehicle services to improve access. In 2014-15, over 2.4 million customers visited driver license centers and over 3.0 million customers came to get their pictures taken for their photo license and photo identification cards. The computerized online messenger program, which connects private businesses with the department, has been the cornerstone of the decentralization effort. There are currently 266 messenger sites processing a million driver's license and motor vehicle transactions annually. Other efforts to improve service include more efficient linkage between the department and automobile dealers, leasing and rental agencies, and fleet owners for the immediate processing of registration and titling transactions. Customers can also process transactions on the department's Internet renewal system. During 2014-15, approximately 4.5 million customers renewed their non-commercial driver's license, photo identification card or vehicle registration via the Internet.

Beginning December 31, 2016, vehicle owners may elect to renew their vehicle registration for one or two years, and vehicle registration stickers will no longer be issued.

Program: Driver and Vehicle Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND		MOTOR LICENSE FUND	
Vehicle Sales Tax Collections		Driver and Vehicle Services	
\$	—47	\$	6,665
—to continue current program.		—to continue current program.	
			4,011
		—Initiative—20/20 vision. To modernize operation through information system upgrades.	
		\$	10,676
		<i>Appropriation Increase</i>	

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections.....	\$ 904	\$ 1,024	\$ 977	\$ 987	\$ 997	\$ 1,007	\$ 1,017
Voter Registration.....	504	529	529	534	540	545	550
TOTAL GENERAL FUND	<u>\$ 1,408</u>	<u>\$ 1,553</u>	<u>\$ 1,506</u>	<u>\$ 1,521</u>	<u>\$ 1,537</u>	<u>\$ 1,552</u>	<u>\$ 1,567</u>
MOTOR LICENSE FUND:							
Driver and Vehicle Services.....	<u>\$ 135,380</u>	<u>\$ 147,295</u>	<u>\$ 157,971</u>	<u>\$ 158,303</u>	<u>\$ 154,112</u>	<u>\$ 156,956</u>	<u>\$ 156,761</u>

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Transportation Support Services

Objective: Maintain low overhead costs while providing timely, quality service in order to create the best value for all customers.

Overhead costs as a percentage of department budget (state funds)	1.13%	1%	1.07%	1%	1%	1%	1.05%
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Program: Highways and Bridges

Objective: Increase the percentage of highway system in good or excellent condition, and decrease the number of structurally deficient bridges through the modernization of assets; effective use of complement; and streamlining of processes.

Highway and Bridge Construction/Reconstruction

Miles of new highway construction	12	19	18	18	16	16	14
Miles of Interstate reconstruction or restoration	67	76	96	68	68	68	68
Miles of non-Interstate reconstruction or restoration	117	211	180	180	170	160	150
Percentage of interstate highway system in good or excellent condition	84.80%	84.90%	84.90%	85%	85.10%	85.10%	85.20%
Interstate Highway System in poor condition	2.30%	2.30%	2.20%	2.20%	2.20%	2.10%	2.10%
National Highway System non-Interstate highways in good or excellent condition	62.50%	63.20%	63.80%	64.50%	65.20%	65.80%	66.50%
National Highway System non-Interstate highways in poor condition	14.60%	14.50%	14.40%	14.30%	14.10%	14%	13.90%
Bridges replaced/repared	278	265	561	558	330	300	300
Structurally deficient bridges by deck area	9.50%	9.40%	9.20%	8.70%	8.40%	8.10%	8.10%
Variance of final cost of construction versus original contract amount	2.90%	3%	3%	3%	3%	3%	3%
Number of bridges preserved	234	220	200	200	200	200	200

Highway and Bridge Maintenance

Miles of state maintained highways improved:

Structural restoration	51	55	50	50	48	46	15
Structural resurfacing	896	818	671	670	583	498	398
Non-structural resurfacing	811	960	841	843	758	684	614
Surface Repairs	3,302	3,397	3,330	3,310	3,138	2,949	2,906
Total miles of state maintained highways improved	5,059	5,230	4,893	4,873	4,527	4,177	3,932

Program Measures

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Local Highway and Bridge Assistance

Objective: Maintain locally administered highways and bridges through continuous improvement and innovation with a special focus on delivery of projects, department-wide operations, asset management and mobility.

Local bridges brought up to standard through state bridge program	48	60	60	50	50	50	50
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Program: Multimodal Transportation

Objective: Increase the use, safety and economic impact of Pennsylvania's public transit, rail and aviation systems through integrated land use and local, regional, state and federal transportation planning.

Mass Transportation

Passengers carried by state-assisted operators	430,200,000	434,500,000	434,500,000	434,500,000	434,500,000	434,500,000	434,500,000
Passengers per vehicle hour	39.20	40	40	40	40	40	40

Older Pennsylvanians Transit

Number of free transit trips	34,060,000	34,400,000	34,740,000	35,090,000	35,440,000	35,790,000	36,150,000
Trips on state assisted shared ride vehicles	4,090,000	4,130,000	4,170,000	4,210,000	4,250,000	4,290,000	4,340,000

Cost to the commonwealth per trip:

Free Transit	\$2.73	\$2.75	\$2.77	\$2.79	\$2.81	\$2.83	\$2.85
State assisted shared ride vehicles	\$18.09	\$18.45	\$18.82	\$19.19	\$19.58	\$20	\$20.37

Intercity Transportation

Intercity Bus:

Passengers handled	377,051	389,000	389,000	389,000	389,000	389,000	389,000
Subsidy per passenger trip	\$4.94	\$4.77	\$4.77	\$4.77	\$4.77	\$4.77	\$4.77

Intercity Rail:

Passengers handled	1,593,951	1,623,400	1,644,000	1,664,000	1,685,000	1,706,000	1,728,000
Subsidy per passenger mile	\$0.12	\$0.12	\$0.12	\$0.13	\$0.13	\$0.13	\$0.13

Rail Freight:

Direct and indirect jobs created by state-supported rail freight improvements	24,292	50,000	50,000	50,000	50,000	50,000	50,000
Additional trucks that would be needed without rail freight bulk cargo service	244,596	300,000	300,000	300,000	300,000	300,000	300,000

Aviation:

Runways with a pavement condition index of fair or better	94%	96%	96%	96%	96%	96%	96%
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Program Measures

2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Program: Driver and Vehicle Services

Objective: Maintain a high level of customer service and maximize the effectiveness of transportation products and services.

Photo identification cards renewed (non-driver photos)	335,732	336,000	336,000	336,000	336,000	336,000	336,000
Percentage of service center customers served within 30 minutes	82%	90.50%	90.50%	90.50%	90.50%	90.50%	90.50%
Access rate of driver and vehicle services call center	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%	99.50%



LEGISLATURE

The mission of the General Assembly of Pennsylvania is to formulate and enact the public policy of the commonwealth.

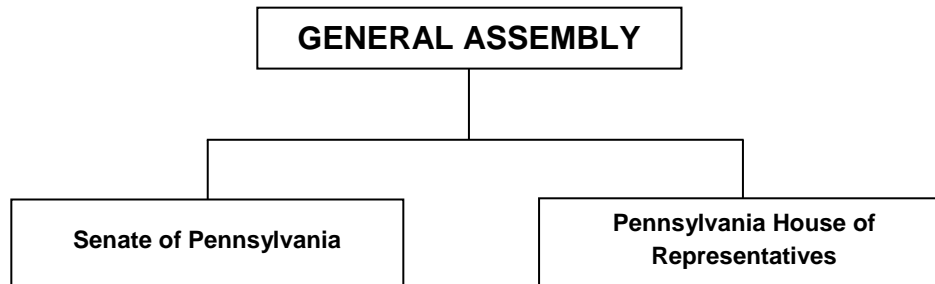
Through legislation and resolution, the General Assembly defines the functions of state government, provides for revenue for the commonwealth and appropriates money for the operation of state agencies and other purposes.

The General Assembly is composed of two bodies – the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by proclamation of the governor.

Programs and Goals

Legislature: *To formulate and enact the public policy of the commonwealth, to define the functions of state government, to provide revenue for the commonwealth and to appropriate money for the operation of state agencies and for other purposes.*

Organization Overview



- **Senate of Pennsylvania** has 50 members who are elected by district. Senators are elected for four-year terms, staggered every two years such that half of the seats are contested at each election. Even-numbered seats and odd-numbered seats are contested in separate election years. Senators have office staff at the state capitol in Harrisburg and in their district offices.
- **Pennsylvania House of Representatives** has 203 members, elected for two-year terms from single member districts. Representatives have office staff at the state capitol in Harrisburg and in their district offices.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Senate:			
Senators' Salaries.....	\$ 7,365	\$ 7,365	\$ 7,365
Senate President - Expenses.....	308	308	358
Employees of Chief Clerk.....	784	784	2,604
Salaried Officers and Employees.....	10,418	10,418	12,000
Incidental Expenses.....	688	688	2,938
Expenses - Senators.....	320	320	1,270
Legislative Printing and Expenses.....	1,726	1,726	6,886
Committee on Appropriations (R).....	895	0	0
Committee on Appropriations (D).....	895	0	0
Committee on Appropriations (R) and (D).....	0	1,790	2,560
Caucus Operations (R) and (D).....	0	42,214	68,022
Caucus Operations (R).....	22,291	0	0
Caucus Operations (D).....	19,923	0	0
Subtotal.....	\$ 65,613	\$ 65,613	\$ 104,003
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 27,663	\$ 27,663	\$ 27,663
Caucus Operations (R) and (D).....	0	90,177	114,927
Caucus Operations (R).....	48,696	0	0
Caucus Operations (D).....	41,481	0	0
Speaker's Office.....	437	437	1,757
Bi-Partisan Committee, Chief Clerk, Comptroller and EMS.....	14,232	14,232	14,402
Mileage - Representatives, Officers and Employees.....	311	311	361
Chief Clerk and Legislative Journal.....	2,682	2,682	2,712
Speaker.....	20	0	0
Chief Clerk.....	560	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	678	688
Incidental Expenses.....	1,531	1,531	4,921
Expenses - Representatives.....	1,177	1,177	4,127
Legislative Printing and Expenses.....	9,833	9,833	10,363
National Legislative Conference - Expenses.....	146	0	496
Committee on Appropriations (R).....	2,659	2,659	3,129
Committee on Appropriations (D).....	1,869	1,869	3,129
Special Leadership Account (R).....	5,029	5,029	5,869
Special Leadership Account (D).....	5,869	5,869	5,869
Subtotal.....	\$ 164,293	\$ 164,147	\$ 200,413
Total - General Government.....	\$ 229,906	\$ 229,760	\$ 304,416

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND TOTAL.....	<u>\$ 229,906</u>	<u>\$ 229,760</u>	<u>\$ 304,416</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 229,906	\$ 229,760	\$ 304,416	\$ 307,462	\$ 310,538	\$ 313,644	\$ 316,780
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>\$ 229,906</u>	<u>\$ 229,760</u>	<u>\$ 304,416</u>	<u>\$ 307,462</u>	<u>\$ 310,538</u>	<u>\$ 313,644</u>	<u>\$ 316,780</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 229,906	\$ 229,760	\$ 304,416	\$ 307,462	\$ 310,538	\$ 313,644	\$ 316,780
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	<u>\$ 229,906</u>	<u>\$ 229,760</u>	<u>\$ 304,416</u>	<u>\$ 307,462</u>	<u>\$ 310,538</u>	<u>\$ 313,644</u>	<u>\$ 316,780</u>

Program: Legislature

Goal: To formulate and enact the public policy of the commonwealth, to define the functions of state government, to provide revenue for the commonwealth and to appropriate money for the operation of state agencies and for other purposes.

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives, funded

by numerous General Fund appropriations. These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
Legislature
 \$ 74,656 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
TOTAL GENERAL FUND	\$ 229,906	\$ 229,760	\$ 304,416	\$ 307,462	\$ 310,538	\$ 313,644	\$ 316,780



JUDICIARY

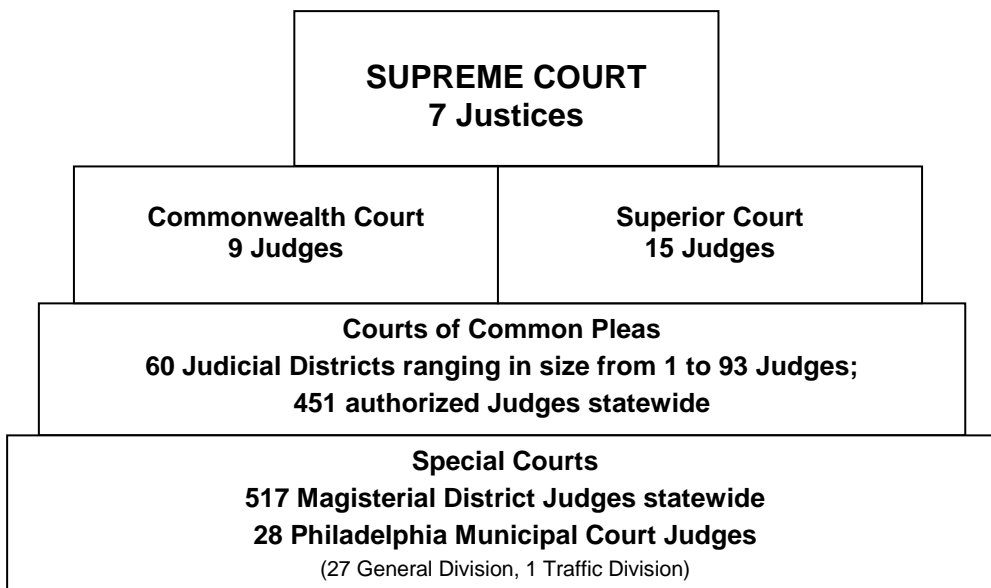
The mission of the judicial system of the commonwealth is to provide citizens with prompt and equitable justice under the law.

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas and community courts including Philadelphia Municipal Court, Pittsburgh Municipal Court and magisterial district courts.

Programs and Goals

State Judicial System: *To provide the citizens of the commonwealth with prompt and equitable justice under the law.*

Organization Overview



- **Supreme Court** is the commonwealth's court of last resort. The judiciary's administrative powers and jurisdictional responsibilities are vested with the seven-member court by the Pennsylvania State Constitution and a collection of statutes known as the Judicial Code. The Administrative Office of Pennsylvania Courts carries out the majority of the Supreme Court's administrative duties. The Supreme Court has various committees and boards responsible for advising the court on procedural rules for judges, attorneys and litigants to ensure an efficient and fair judicial review.
- **Commonwealth Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Commonwealth Court is primarily responsible for matters involving state and local governments and regulatory agencies. It also acts as a trial court when lawsuits are filed by or against the commonwealth.
- **Superior Court** is one of Pennsylvania's two statewide intermediate appellate courts. The Superior Court is responsible for appeals in criminal and civil cases from the Courts of Common Pleas and appeals on matters involving children and families. In such matters, it is often the final arbiter of legal disputes.
- **Courts of Common Pleas** are the general trial courts of Pennsylvania. These courts are responsible for appeals from the minor courts, appeals not exclusively assigned to another court and matters involving children and families.
- **Special Courts** are the first level of Pennsylvania's judiciary. They are responsible for determining whether serious criminal cases go to the Court of Common Pleas, preliminary arraignments and preliminary hearings, and setting and accepting bail.

Reported Complement

(Independent Agency – Complement Not Under the Governor's Jurisdiction/Control)

2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
2,203	2,198	2,199	2,198	2,203

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Supreme Court:			
Supreme Court.....	\$ 13,636	\$ 14,020	\$ 16,653
Justices Expenses.....	118	118	118
Judicial Center Operations.....	675	851	851
Judicial Council.....	141	141	141
District Court Administrators.....	17,276	19,140	20,353
Interbranch Commission.....	308	350	350
Court Management Education.....	73	73	73
Office of Elder Justice.....	0	0	350
Rules Committees.....	1,491	1,571	1,607
Court Administrator.....	9,953	10,915	10,915
(F)Court Improvement Project.....	1,130	1,130	1,130
(F)Veterans Court Process Evaluation.....	197	0	0
(F)PA Weighted Caseload Project.....	80	17	0
(F)Smart Defense.....	0	320	320
(F)STOP Violence Against Women (EA).....	222	97	274
Integrated Criminal Justice System.....	2,372	2,372	2,372
(R)Judicial Computer System.....	54,456	57,048	57,048
Unified Judicial System Security.....	2,002	2,002	2,002
Subtotal.....	\$ 104,130	\$ 110,165	\$ 114,557
Superior Court:			
Superior Court.....	\$ 27,024	\$ 29,730	\$ 32,446
Judges Expenses.....	183	183	183
Subtotal.....	\$ 27,207	\$ 29,913	\$ 32,629
Commonwealth Court:			
Commonwealth Court.....	\$ 16,404	\$ 18,183	\$ 19,354
Judges Expenses.....	132	132	132
Subtotal.....	\$ 16,536	\$ 18,315	\$ 19,486
Courts of Common Pleas:			
Courts of Common Pleas.....	\$ 100,636	\$ 107,948	\$ 115,911
Senior Judges.....	3,715	4,004	4,004
Judicial Education.....	1,138	1,247	1,247
Ethics Committee.....	57	62	62
Problem-Solving Courts.....	103	103	103
Subtotal.....	\$ 105,649	\$ 113,364	\$ 121,327
Magisterial District Judges:			
Magisterial District Judges.....	\$ 73,522	\$ 79,697	\$ 85,151
Magisterial District Judge Education.....	671	715	748
Subtotal.....	\$ 74,193	\$ 80,412	\$ 85,899
Philadelphia Courts:			
Municipal Court.....	\$ 6,857	\$ 7,322	\$ 7,875
Subtotal.....	\$ 6,857	\$ 7,322	\$ 7,875
Judicial Conduct:			
Judicial Conduct Board.....	\$ 1,577	\$ 1,956	\$ 2,035
Court of Judicial Discipline.....	468	468	468
Subtotal.....	\$ 2,045	\$ 2,424	\$ 2,503

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
Subtotal - State Funds.....	\$ 280,532	\$ 303,303	\$ 325,504
Subtotal - Federal Funds.....	1,629	1,564	1,724
Subtotal - Restricted Revenues.....	54,456	57,048	57,048
Total - General Government.....	<u>\$ 336,617</u>	<u>\$ 361,915</u>	<u>\$ 384,276</u>
Grants and Subsidies:			
Reimbursement of County Costs:			
Jurors Cost Reimbursement.....	\$ 1,118	\$ 1,118	\$ 1,118
County Courts Reimbursement.....	34,407	35,136	35,136
Senior Judge Reimbursement.....	1,375	1,375	1,375
Court Interpreter County Grant.....	0	1,500	1,500
Subtotal.....	<u>\$ 36,900</u>	<u>\$ 39,129</u>	<u>\$ 39,129</u>
Total - Grants and Subsidies.....	<u>\$ 36,900</u>	<u>\$ 39,129</u>	<u>\$ 39,129</u>
STATE FUNDS.....	\$ 317,432	\$ 342,432	\$ 364,633
FEDERAL FUNDS.....	1,629	1,564	1,724
RESTRICTED REVENUES.....	54,456	57,048	57,048
GENERAL FUND TOTAL.....	<u>\$ 373,517</u>	<u>\$ 401,044</u>	<u>\$ 423,405</u>

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 317,432	\$ 342,432	\$ 364,633	\$ 367,761	\$ 370,917	\$ 374,108	\$ 377,326
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,629	1,564	1,724	1,130	1,130	1,130	1,130
OTHER FUNDS.....	54,456	57,048	57,048	57,048	57,048	57,048	57,048
SUBCATEGORY TOTAL.....	<u>\$ 373,517</u>	<u>\$ 401,044</u>	<u>\$ 423,405</u>	<u>\$ 425,939</u>	<u>\$ 429,095</u>	<u>\$ 432,286</u>	<u>\$ 435,504</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 317,432	\$ 342,432	\$ 364,633	\$ 367,761	\$ 370,917	\$ 374,108	\$ 377,326
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,629	1,564	1,724	1,130	1,130	1,130	1,130
OTHER FUNDS.....	54,456	57,048	57,048	57,048	57,048	57,048	57,048
DEPARTMENT TOTAL.....	<u><u>\$ 373,517</u></u>	<u><u>\$ 401,044</u></u>	<u><u>\$ 423,405</u></u>	<u><u>\$ 425,939</u></u>	<u><u>\$ 429,095</u></u>	<u><u>\$ 432,286</u></u>	<u><u>\$ 435,504</u></u>

Program: State Judicial System

Goal: To provide the citizens of the commonwealth with prompt and equitable justice under the law.

Pennsylvania's Unified Judicial System is a layered court system consisting of the Supreme Court, Commonwealth Court, Superior Court, Courts of Common Pleas, the magisterial district courts, and the two Philadelphia municipal courts—Philadelphia Municipal Court, and Traffic Court of Philadelphia (pending adoption by the electorate during the 2016 primary election of the proposed PA constitutional amendment to abolish it).

In counties other than Philadelphia, courts at the first level of the system are presided over by Magisterial District Judges who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$12,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases and accept guilty pleas under certain circumstances.

In Philadelphia, the Municipal Court, including the Traffic Division created by Act 17 of 2013 to assume the functions of the Traffic Court, is the initial level of the court system. Municipal Court is a court of record whose judges must be lawyers. Its limited jurisdiction is analogous to that of the Magisterial District Judges. The judges of the Traffic Division need not be lawyers but must complete an education course and pass the qualifying examination.

The second level in the court system is the Courts of Common Pleas, which are courts of general trial jurisdiction. They have original jurisdiction over all cases not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain state and most local government agencies.

Appeals from the Courts of Common Pleas are generally handled by one of the two intermediate-level appellate courts: Commonwealth Court and Superior Court. Commonwealth Court has jurisdiction over appeals involving government agencies and officials and not-for-profit corporations, as well as original jurisdiction over Election Code matters and cases involving state officials. Superior Court has jurisdiction over all direct appeals not within the specific statutory jurisdiction of another appellate court.

The Supreme Court is Pennsylvania's court of last resort and is responsible for administration of the entire Unified Judicial System.

As defined by the state constitution, statute and court rule, the Administrative Office of Pennsylvania Courts (AOPC) is the administrative arm of the Supreme Court in the court's oversight responsibility of the Unified Judicial System.

The Supreme Court has initiated a number of programs in recent years, including the creation within AOPC of the Office of Elder Justice in the Courts; the Office for Children and Families in the Court, which assists courts statewide in providing neglected and abused children with safe and permanent homes in as brief a time as possible; and a program to assist judicial districts in establishing, expanding or maintaining special problem-solving courts, such as drug courts, mental health and veterans courts. A long-standing automation program has been underway since the mid-1980s with the goal of computerization of the entire Judiciary, most notably through the development and operation of an integrated case and financial management system to allow the seamless transfer of cases from the first level of the Judiciary through the court of last resort. Among the first of its scope nationally, the Judicial Computer System has been an unqualified success in each of its stages, beginning with the Magisterial District Judge System, the Pennsylvania Appellate Courts Case Management System, and the Common Pleas Criminal Case Management System which automated the criminal courts statewide. These systems also enable the Judiciary to be a keystone in providing the commonwealth's multi-agency Integrated Criminal Justice Network (commonly known as JNET) with important case data. A computerization project is underway to automate orphans and family courts to be followed by a project to automate the civil courts.

Through exercise of its statutory realignment responsibilities over the magisterial districts, the Supreme Court has eliminated 28 districts to date as a cost-cutting measure. By the end of the process in January 2018, the Supreme Court will have reduced the count of magisterial districts by 31, from 545 districts at the start of the process in January 2010 to 514 by January 2018 saving an estimated \$4.7 million annually at current costs.

Program: State Judicial System (continued)

Program Recommendations:

GENERAL FUND:					
	Supreme Court				Courts of Common Pleas
\$ 2,633	—to continue current program.		\$ 7,963	—to continue current program.	
	District Court Administrators				Magisterial District Judges
\$ 1,213	—to continue current program.		\$ 5,454	—to continue current program.	
	Office of Elder Justice				Magisterial District Judge Education
\$ 350	—Initiative—to address access to justice issues affecting older Pennsylvanians.		\$ 33	—to continue current program.	
	Rules Committees				Municipal Court
\$ 36	—to continue current program.		\$ 553	—to continue current program.	
	Superior Court				Judicial Conduct Board
\$ 2,716	—to continue current program.		\$ 79	—to continue current program.	
	Commonwealth Court				
\$ 1,171	—to continue current program.				

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Supreme Court	\$ 13,636	\$ 14,020	\$ 16,653	\$ 16,820	\$ 16,988	\$ 17,158	\$ 17,329
Justices Expenses	118	118	118	118	118	118	118
Judicial Center Operations	675	851	851	851	851	851	851
Judicial Council	141	141	141	141	141	141	141
District Court Administrators	17,276	19,140	20,353	20,557	20,762	20,970	21,179
Interbranch Commission	308	350	350	350	350	350	350
Court Management Education	73	73	73	73	73	73	73
Office of Elder Justice	0	0	350	354	357	361	364
Rules Committees	1,491	1,571	1,607	1,623	1,639	1,656	1,672
Court Administrator	9,953	10,915	10,915	11,024	11,134	11,246	11,358
Integrated Criminal Justice System	2,372	2,372	2,372	2,372	2,372	2,372	2,372
Unified Judicial System Security	2,002	2,002	2,002	2,002	2,002	2,002	2,002
Superior Court	27,024	29,730	32,446	32,770	33,098	33,429	33,763
Judges Expenses	183	183	183	183	183	183	183
Commonwealth Court	16,404	18,183	19,354	19,548	19,743	19,940	20,140
Judges Expenses	132	132	132	132	132	132	132
Courts of Common Pleas	100,636	107,948	115,911	117,070	118,241	119,423	120,617
Senior Judges	3,715	4,004	4,004	4,004	4,004	4,004	4,004
Judicial Education	1,138	1,247	1,247	1,247	1,247	1,247	1,247
Ethics Committee	57	62	62	62	62	62	62
Problem-Solving Courts	103	103	103	103	103	103	103
Magisterial District Judges	73,522	79,697	85,151	86,003	86,863	87,731	88,608
Magisterial District Judge Education	671	715	748	748	748	748	748
Municipal Court	6,857	7,322	7,875	7,954	8,033	8,114	8,195
Judicial Conduct Board	1,577	1,956	2,035	2,055	2,076	2,097	2,118
Court of Judicial Discipline	468	468	468	468	468	468	468
Jurors Cost Reimbursement	1,118	1,118	1,118	1,118	1,118	1,118	1,118
County Courts Reimbursement	34,407	35,136	35,136	35,136	35,136	35,136	35,136
Senior Judge Reimbursement	1,375	1,375	1,375	1,375	1,375	1,375	1,375
Court Interpreter County Grant	0	1,500	1,500	1,500	1,500	1,500	1,500
TOTAL GENERAL FUND	\$ 317,432	\$ 342,432	\$ 364,633	\$ 367,761	\$ 370,917	\$ 374,108	\$ 377,326

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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 Goals

Government Support Agencies: *To provide research, fiscal and regulatory review, and administrative and operational support.*

Organization Overview

- **Legislative Reference Bureau** prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.
- **Legislative Budget and Finance Committee** conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.
- **Legislative Data Processing Center** establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the Pennsylvania General Assembly.
- **Joint State Government Commission** is the primary non-partisan research organization that serves the General Assembly. It provides the legislature with a readily available mechanism for conducting interdisciplinary studies.
- **Local Government Commission** is a bipartisan legislative service agency affording research assistance to propose legislation that will enable local governments to be more effective and efficient in providing services.
- **Joint Legislative Air and Water Pollution Control Committee** conducts studies, holds hearings and makes recommendations to the General Assembly on environmental issues. It also makes recommendations with regard to the custodianship and care of our land, water and air to determine where there are problems, what solutions are found and what can be done to bring about positive change.
- **Legislative Audit Advisory Commission** plans and performs the audit of the General Assembly's financial transactions.
- **Independent Regulatory Review Commission** reviews commonwealth agency regulations to make certain that the agency has the statutory authority to enact the regulation and determine whether the regulation is consistent with legislative intent. The commission then considers other criteria, such as economic impact, public health and safety, reasonableness, impact on small businesses and clarity. It also acts as a clearinghouse for complaints, comments and other input from the General Assembly and the public regarding proposed and final regulations.
- **Capitol Preservation Committee** serves the citizens of the commonwealth by restoring and preserving the art, architecture and history of the Pennsylvania State Capitol and Capitol Complex.
- **Commission on Sentencing** is charged with creating and maintaining a consistent and rational statewide sentencing policy through the adoption of guidelines that promote fairer and more uniform sentencing throughout the commonwealth.
- **Center for Rural Pennsylvania** is a bipartisan, bicameral legislative agency that serves as a resource for rural policy within the Pennsylvania General Assembly. The center works with the legislature, educators, state and federal executive branch agencies and national, statewide, regional and local organizations to maximize resources and strategies that can better serve Pennsylvania's nearly 3.5 million rural residents.
- **Commonwealth Mail Processing Center** receives and performs a security scan of all incoming mail, overnight packages, and parcels and delivers to offices of the legislature, departments under the governor's jurisdiction and the judiciary.
- **Legislative Reapportionment Commission**, in accordance with the Pennsylvania Constitution, redistricts the state Senate and the state House in the year following the federal decennial census.
- **Independent Fiscal Office** provides revenue projections for use in the state budget process along with impartial and timely analysis of fiscal, economic and budgetary issues to assist commonwealth residents and the General Assembly in their evaluation of policy decisions.

Government Support Agencies

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	2014-15 ACTUAL	2015-16 AVAILABLE	2016-17 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Legislative Reference Bureau - Salaries and Expenses.....	\$ 8,449	\$ 8,449	\$ 8,749
Printing of PA Bulletin and PA Code.....	801	801	842
Subtotal.....	\$ 9,250	\$ 9,250	\$ 9,591
Legislative Budget and Finance Committee.....	1,413	1,413	1,750
Legislative Data Processing Center.....	9,763	9,763	22,043
Joint State Government Commission.....	1,010	1,010	1,531
Local Government Commission.....	965	965	1,116
Local Government Codes.....	20	20	23
Joint Legislative Air and Water Pollution Control Committee.....	405	405	535
Legislative Audit Advisory Commission.....	127	127	256
Independent Regulatory Review Commission.....	1,869	1,869	1,940
Capitol Preservation Committee.....	717	717	798
Capitol Restoration.....	1,869	1,869	2,252
Commission on Sentencing.....	1,818	1,818	1,887
(F)JAG - Consolidated Project Grants (EA).....	1,280	1,280	1,280
Center for Rural Pennsylvania.....	884	884	918
Commonwealth Mail Processing Center.....	2,923	2,923	3,034
Legislative Reapportionment Commission.....	177	177	734
Independent Fiscal Office.....	1,692	1,692	1,756
Subtotal.....	\$ 26,932	\$ 26,932	\$ 41,853
Subtotal - State Funds.....	\$ 34,902	\$ 34,902	\$ 50,164
Subtotal - Federal Funds.....	1,280	1,280	1,280
Total - General Government.....	\$ 36,182	\$ 36,182	\$ 51,444
STATE FUNDS.....	\$ 34,902	\$ 34,902	\$ 50,164
FEDERAL FUNDS.....	1,280	1,280	1,280
GENERAL FUND TOTAL.....	\$ 36,182	\$ 36,182	\$ 51,444
OTHER FUNDS:			
JUSTICE REINVESTMENT FUND:			
Commission on Sentencing.....	\$ 283	\$ 400 ^a	\$ 400
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 34,902	\$ 34,902	\$ 50,164
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,280	1,280	1,280
OTHER FUNDS.....	283	400	400
TOTAL ALL FUNDS.....	\$ 36,465	\$ 36,582	\$ 51,844

^a Act 196 of 2012 requires that funding be appropriated beginning in 2015-16.

Program Funding Summary

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GOVERNMENT SUPPORT AGENCIES							
GENERAL FUND.....	\$ 34,902	\$ 34,902	\$ 50,164	\$ 50,664	\$ 51,171	\$ 51,682	\$ 52,198
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.....	283	400	400	400	0	0	0
SUBCATEGORY TOTAL.....	<u>\$ 36,465</u>	<u>\$ 36,582</u>	<u>\$ 51,844</u>	<u>\$ 52,344</u>	<u>\$ 52,451</u>	<u>\$ 52,962</u>	<u>\$ 53,478</u>
ALL PROGRAMS:							
GENERAL FUND.....	\$ 34,902	\$ 34,902	\$ 50,164	\$ 50,664	\$ 51,171	\$ 51,682	\$ 52,198
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.....	283	400	400	400	0	0	0
DEPARTMENT TOTAL.....	<u><u>\$ 36,465</u></u>	<u><u>\$ 36,582</u></u>	<u><u>\$ 51,844</u></u>	<u><u>\$ 52,344</u></u>	<u><u>\$ 52,451</u></u>	<u><u>\$ 52,962</u></u>	<u><u>\$ 53,478</u></u>

Government Support Agencies

Program: Government Support Agencies

Goal: To provide research, fiscal and regulatory review, and administrative and operational support.

This program primarily supports state government legislative operations by providing research, fiscal and regulatory review, and administrative and operational support.

The Legislative Reference Bureau prepares requested legislative bills and resolutions for introduction in the General Assembly; advises members of the Legislature and legislative committees; and, from time to time, prepares proposed codifications of existing general statutes for adoption or rejection by the General Assembly.

The Legislative Budget and Finance Committee is a bipartisan, bicameral legislative service agency that conducts studies and makes recommendations aimed at eliminating unnecessary expenditures, promoting economy in the government of the commonwealth and assuring that state funds are being expended in accordance with legislative intent and law.

The Legislative Data Processing Center establishes and operates computer systems capable of storing and retrieving all of the financial, factual, procedural and legal information necessary to serve all of the committees, officers and agencies of the General Assembly.

The Joint State Government Commission serves as the bipartisan and bicameral research agency of the General Assembly.

The Local Government Commission is a bipartisan legislative service agency affording research assistance on proposed legislation that will enable local governments to be more effective and efficient in providing services.

The Joint Legislative Air and Water Pollution Control Committee conducts studies regarding air, water and

mining practices in the state and makes recommendations to the General Assembly.

The Legislative Audit Advisory Commission plans and performs the audit of the General Assembly's financial transactions.

The Independent Regulatory Review Commission reviews commonwealth agency regulations to ensure that they are in the public interest.

The Capitol Preservation Committee works to preserve the art, architecture and history of the Pennsylvania Capitol Building and Complex.

The Commission on Sentencing adopts statewide sentencing guidelines. Act 196 of 2012 has distributed funds to the commission since 2013-14 from the Justice Reinvestment Fund to establish models for risk assessment.

The Center for Rural Pennsylvania serves as a resource for rural policy within the General Assembly.

The Commonwealth Mail Processing Center screens and dispatches correspondence, packages and parcels.

The Legislative Reapportionment Commission receives the Census Bureau redistricting data in each year following the year of the federal decennial census. It is used as a basis for apportioning seats in the U.S. House of Representatives. Census data is also used to redraw legislative districts for the House of Representatives and the State Senate.

The Independent Fiscal Office provides nonpartisan budget information and analysis.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND
Government Support Agencies
\$ 15,262 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL FUND:							
Government Support Agencies.....	\$ 34,902	\$ 34,902	\$ 50,164	\$ 50,664	\$ 51,171	\$ 51,682	\$ 52,198

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Commonwealth of Pennsylvania

Governor's Executive Budget

CAPITAL BUDGET

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Program Summary

This section presents the 2016-17 Capital Budget and Five Year Capital Program. The proposed funding sources and amounts needed to support capital programs are projected for five fiscal years.

All projects are grouped by categories regardless of the source of funding. The six categories, as explained below, are consistently used for projects which are to be funded by commonwealth debt obligations, current revenues and funds received from other jurisdictions. Funding source distinctions are clearly noted throughout the section which itemizes the recommended capital program.

Public Improvement Projects — this category includes various types of renovation projects and new buildings, nonstructural improvements and the acquisition of land. The Department of General Services administers design and construction for the majority of these projects. However, Keystone Recreation, Park and Conservation and Environmental Stewardship projects are administered by the Department of Conservation and Natural Resources.

Public Improvement — Original Furniture and Equipment Projects — this category provides for the equipping of newly completed public improvement projects by purchasing original movable furniture and equipment through the Department of General Services. Replacement furniture and equipment to be used in existing buildings are purchased as fixed assets

Transportation Assistance Projects — this category of projects include: the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the commonwealth; the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof; and air transportation systems. These projects are administered by the Department of Transportation.

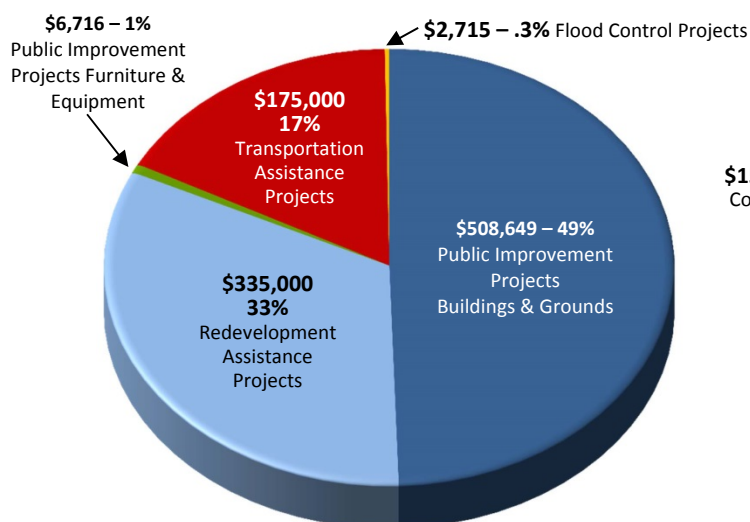
Redevelopment Assistance Projects — this category provides grants for the acquisition of land and the construction of buildings and other property appurtenances for municipal agencies and authorities for economic development and the prevention and elimination of blight.

Flood Control Projects — this category provides the state's share of federal flood control works and improvements to prevent floods and to preserve, control and regulate the flow of rivers and streams in the commonwealth. These projects are administered by the Department of Environmental Protection.

Highway Projects — this category includes the design, purchase of rights-of-way, construction, reconstruction and other improvements to highways and bridges on the state highway system. These projects are designed and constructed by the Department of Transportation.

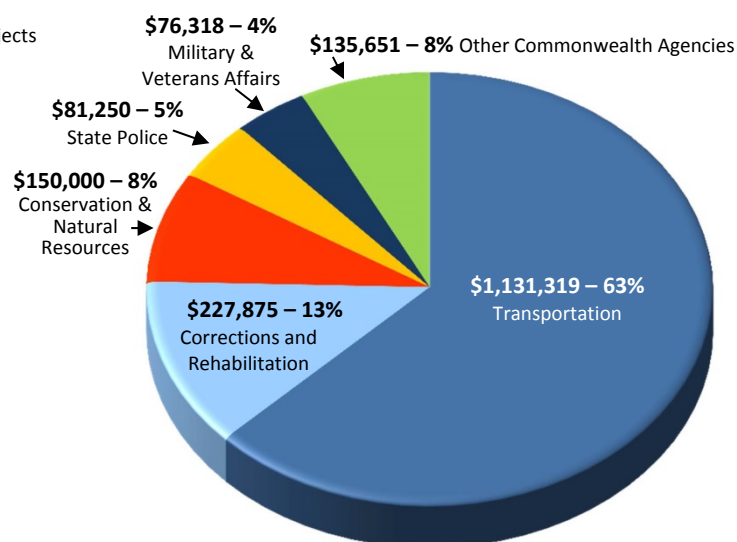
**2016-17 Estimated Capital Expenditures
Capital Facilities Bond Fund**

(Dollar Amounts in Thousands)



**Recommended 2016-17 New Project Authorizations
Capital Facilities Bond Fund**

(Dollar Amounts in Thousands)



Capital Budget Financing. Most project authorizations recommended in the capital budget are debt financed by General Obligation Bonds. However, other capital projects are financed by current revenues either from dedicated sources or appropriations through operating budgets. An additional \$1.23 billion in 2016-17 new project authorizations (mostly highway projects) is financed by current revenues.

The Capital Budget section consists of the following three subsections.

2016-17 New Project Authorizations — this section itemizes and describes the new capital projects recommended for authorization in 2016-17 and their proposed source of funding. The projects are listed by department and capital project category.

Impact on Operating Costs. The description of each recommended capital project contains a statement concerning the impact on program operating costs expected from the implementation of the capital project. With certain exceptions, the statement indicates little or no effect on operating costs. This is due to the fact that most capital projects involve the renovation or replacement of existing facilities. Consequently, any operating cost impact is derived from such items as efficiencies in energy consumption and avoided maintenance. These items, when viewed in terms of the total agency or program budget, generally tend to be negligible.

An exception is when a large-scale project is implemented which will dramatically change efficiencies and other components of an operating budget. In this case, the expected change in operating expenses is quantified. The net change in operating cost also is quantified when new construction will result in a significant increase in the capital asset base. A more precise figure will be recommended in the agency's operating budget when the project has been completed, which is usually several years after a capital project is authorized.

There are several categories of capital authorizations for which no estimate of operating cost impact is provided. Among these are Redevelopment Assistance, Flood Control, Transportation Assistance and flood protection projects undertaken as part of

the Public Improvement category. These projects constitute improvements to the property of other entities, primarily local jurisdictions such as cities, boroughs, townships and universities, among others. Any change in operating costs will, therefore, be borne by an entity other than the commonwealth.

Finally, the Highway Projects category also will not provide a statement of operating cost impact. This is because the bulk of capital spending in this category is for the rehabilitation of the existing highway network rather than the addition of new mileage. As rehabilitation takes place, high maintenance costs are avoided. These avoided maintenance costs are then shifted to other segments of roadway where repair needs are relatively significant. As a result, the total highway operating budget experiences little net change.

Future New Project Authorizations — this section contains a dollar forecast of new capital projects requested during each of the fiscal years 2017-18 through 2020-21. The projections are grouped by department and capital project category.

Estimated Capital Project Expenditures — this section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, actual expenditures usually occur over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued or the current revenue appropriations required in each fiscal year. The projections are listed by capital project category and agency and are further subdivided by currently authorized projects, new projects proposed for 2016-17 and projects which will be authorized in the future (through 2020-21).

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)

	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
GENERAL OBLIGATION BOND FUNDING					
Revenues					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures.....	\$ 765,000	\$ 780,000	\$ 796,000	\$ 812,000	\$ 825,000
Public Improvement Projects - Furniture and Equipment.....	10,000	10,000	10,000	10,000	10,000
Redevelopment Assistance Projects.....	150,000	150,000	150,000	250,000	250,000
Flood Control Projects.....	0	0	0	0	0
Transportation Assistance Projects.....	175,000	175,000	175,000	175,000	175,000
Less: Costs of Issue.....	-5,000	-5,000	-5,000	-5,000	-5,000
Miscellaneous Revenue.....	5,615	5,615	5,615	5,615	5,615
Change in Available Cash.....	-72,535	32,346	143,695	164,939	107,303
Total.....	<u>\$ 1,028,080</u>	<u>\$ 1,147,961</u>	<u>\$ 1,275,310</u>	<u>\$ 1,412,554</u>	<u>\$ 1,367,918</u>
Expenditures					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures.....	\$ 508,648	\$ 552,838	\$ 791,920	\$ 937,029	\$ 1,028,107
Public Improvement Projects - Furniture and Equipment.....	6,716	20,597	6,865	0	0
Redevelopment Assistance Projects.....	335,000	397,000	300,000	300,000	165,000
Flood Control Projects.....	2,715	4,525	4,525	4,525	1,810
Transportation Assistance Projects.....	175,000	173,000	172,000	171,000	173,000
Total - General Obligation Bonds.....	<u>\$ 1,028,080</u>	<u>\$ 1,147,961</u>	<u>\$ 1,275,310</u>	<u>\$ 1,412,554</u>	<u>\$ 1,367,918</u>
FROM CURRENT REVENUES					
Public Improvement Projects - Fish and Boat Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	17,677	18,325	18,325	22,402	31,019
Acquisition, Rehabilitation and Development Projects Environmental Stewardship Fund.....	7,905	11,761	12,173	12,599	13,040
Highway Projects - Motor License Fund.....	436,061	431,426	426,398	450,645	478,979
Total Current Revenues.....	<u>\$ 461,643</u>	<u>\$ 461,512</u>	<u>\$ 456,896</u>	<u>\$ 485,646</u>	<u>\$ 523,037</u>
TOTAL - ALL FUNDS	<u>\$ 1,489,723</u>	<u>\$ 1,609,472</u>	<u>\$ 1,732,206</u>	<u>\$ 1,898,200</u>	<u>\$ 1,890,954</u>

FORECAST OF NEW PROJECT AUTHORIZATIONS State Funds

This table provides a summary of the budget recommendations and potential future authorizations by department.

(Dollar Amounts in Thousands)

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Agriculture.....	\$ 0	\$ 43,350	\$ 55,800	\$ 55,800	\$ 55,800	\$ 210,750
Conservation and Natural Resources.....	194,605	89,265	114,465	90,465	79,715	568,515
Corrections and Rehabilitation.....	227,875	29,240	21,170	21,170	21,170	320,625
Education.....	45,000	457,800	353,400	296,200	325,560	1,477,960
Environmental Protection.....	3,271	20,999	25,862	28,305	23,450	101,887
General Services.....	35,500	36,750	68,700	68,700	68,700	278,350
Historical and Museum Commission.....	0	24,580	36,000	23,975	45,720	130,275
Human Services.....	51,880	48,240	46,020	34,440	34,440	215,020
Military and Veterans Affairs.....	115,724	38,974	47,937	47,937	47,937	298,509
State Police.....	81,250	26,790	28,500	28,500	28,500	193,540
Transportation.....	2,278,759	673,580	745,262	765,000	785,000	5,247,601
TOTAL.....	\$ 3,033,864	\$ 1,489,568	\$ 1,543,116	\$ 1,460,492	\$ 1,515,992	\$ 9,043,032

RECOMMENDED 2016-17 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
Conservation and Natural Resources.....	\$ 150,000	\$ 0	\$ 0	\$ 0
Corrections and Rehabilitation.....	227,875	0	0	0
Education.....	45,000	0	0	0
Environmental Protection.....	3,271	0	0	0
General Services.....	35,500	0	0	0
Human Services.....	51,880	0	0	0
Military and Veterans Affairs.....	76,318	0	0	0
State Police.....	81,250	0	0	0
Transportation.....	850,000	0	281,319	0
TOTAL.....	\$ 1,521,094	\$ 0	\$ 281,319	\$ 0

Current Revenues

All Funds

	Highway Projects	Public Improvement Projects	
Conservation and Natural Resources.....	\$ 0	\$ 44,605	\$ 194,605
Corrections and Rehabilitation.....	0	0	227,875
Education.....	0	0	45,000
Environmental Protection.....	0	0	3,271
General Services.....	0	0	35,500
Historical and Museum Commission.....	0	0	0
Human Services.....	0	0	51,880
Military and Veterans Affairs.....	0	39,406	115,724
State Police.....	0	0	81,250
Transportation.....	1,147,440	0	2,278,759
TOTAL.....	\$ 1,147,440	\$ 84,011	\$ 3,033,864

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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
Parks and Forest Management.....	\$ 166,105	\$ 0	\$ 28,500	\$ 194,605
TOTAL.....	<u>\$ 166,105</u>	<u>\$ 0</u>	<u>\$ 28,500</u>	<u>\$ 194,605</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 121,500	\$ 0	\$ 28,500	\$ 150,000
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Current Revenues

Keystone Recreation, Park and Conservation Fund - Improvements and Rehabilitation.....	\$ 29,615	\$ 0	\$ 0	\$ 29,615
Growing Greener 'Environmental Stewardship Fund - Acquisition, Improvements and Rehabilitation.....	1,000	0	0	1,000
State Forestry Bridge - Parks and Forest Management.....	9,382	0	0	9,382
ATV/Snowmobile Funds - Parks and Forest Management.....	350	0	0	350
Dirt and Gravel Funds - Acquisition, Improvements and Rehabilitation.....	4,258	0	0	4,258
Subtotal Current Revenues.....	<u>\$ 44,605</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,605</u>
TOTAL.....	<u>\$ 166,105</u>	<u>\$ 0</u>	<u>\$ 28,500</u>	<u>\$ 194,605</u>

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>ALLEGHENY COUNTY</u>				
Point State Park	\$ 13,600	\$ 0	\$ 3,400	\$ 17,000
CONSTRUCT PARKING: This project will provide a new parking lot and park office facilities.				
<u>BUCKS COUNTY</u>				
Delaware Canal State Park	4,000	0	1,000	5,000
ADDITIONAL FUNDING: This project will provide for additional funding for DGS Project 141-10.				
<u>CAMBRIA COUNTY</u>				
Gallitzin State Forest	3,200	0	800	4,000
CONSTRUCT HEADQUARTERS: This project will provide for the raze and replacement of Babcock Forest Maintenance Headquarters and storage building.				
<u>CARBON COUNTY</u>				
Hickory Run State Park	3,600	0	900	4,500
REPLACE PIT LATRINES: This project will provide for the replacement of pit latrines with modern comfort stations.				
<u>CLEARFIELD COUNTY</u>				
Moshannon State Forest	2,000	0	500	2,500
REPLACE MECHANICS SHOP: This project will provide for the demolition of Dague Mechanics Shop and replace it with a modern mechanics shop.				
<u>CLINTON COUNTY</u>				
Sproul State Forest	2,000	0	500	2,500
REPLACE WOOD SHOP: This project will provide for the demolition of Hyner Wood Shop and replace it with a modern wood shop.				
<u>CUMBERLAND COUNTY</u>				
Pine Grove Furnace State Park	2,800	0	700	3,500
REPLACE PARK OFFICE: This project will provide for the construction of a new park office and visitors' resource center.				
<u>DAUPHIN COUNTY</u>				
Weiser State Forest	2,400	0	600	3,000
REPLACE MAINTENANCE BUILDING: This project will provide for the replacement of Haldeman Maintenance Headquarters and construct a storage building.				
<u>DELAWARE COUNTY</u>				
Ridley Creek State Park	4,000	0	1,000	5,000
PAVE ROADS: This project will provide for the paving of roads and parking lots throughout the park and replace drainage and safety features as required.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS (continued)

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>GREENE COUNTY</u>				
Ryerson Station State Park	\$ 20,000	\$ 0	\$ 5,000	\$ 25,000
REHABILITATE FACILITIES: This project will provide for the rehabilitation of the park facilities along with possible new construction and land acquisition.				
<u>JUNIATA COUNTY</u>				
Tuscarora State Forest	2,000	0	500	2,500
REPLACE FACILITIES: This project will provide for the replacement of East Licking Creek Forest Maintenance Headquarters.				
<u>LACKAWANNA COUNTY</u>				
Pinchot State Forest	2,000	0	500	2,500
REMOVE DAM: This project will provide for the removal of Olyphant Dam #2.				
<u>LUZERNE COUNTY</u>				
Pinchot State Forest	4,000	0	1,000	5,000
CONSTRUCT HEADQUARTERS: This project will provide for the construction of a forestry and fire headquarters.				
Pinchot State Forest	3,200	0	800	4,000
REMOVE DAM: This project will provide for the breach and removal of Laurel Run Dam.				
<u>PIKE COUNTY</u>				
Promised Land State Park	3,200	0	800	4,000
PAVE ROADS: This project will provide for the paving of roads and parking lots throughout the park and replace drainage and safety features as required.				
<u>SCHUYLKILL COUNTY</u>				
Swatara State Park	13,500	0	1,500	15,000
CONSTRUCT HEADQUARTERS: This project will provide for the construction of a headquarters facility for the Topographical and Geological Survey including building, offices, laboratory, storage and public contact facilities.				
<u>VENANGO COUNTY</u>				
Oil Creek State Park	4,000	0	1,000	5,000
CONSTRUCT TRAIL: This project will provide for the construction of a trail to connect southern end of the park with other sections of the park.				
<u>VARIOUS COUNTIES</u>				
Various State Parks and Forests	28,000	0	7,000	35,000
DREDGE LAKES: This project will provide additional funding for the dredging and removal of sediment from lakes launches and marinas at various lakes throughout the state.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS (continued)

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>VARIOUS COUNTIES (continued)</u>				
Various State Parks and Forests	\$ 4,000	\$ 0	\$ 1,000	\$ 5,000
CONDUCT ENERGY AUDITS: This project will provide for conduction of energy audits and identify and implement needed repairs/upgrades to increase energy efficiency of buildings.				
PROGRAM TOTAL.....	<u>\$ 121,500</u>	<u>\$ 0</u>	<u>\$ 28,500</u>	<u>\$ 150,000</u>

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BEAVER COUNTY</u>				
Raccoon Creek State Park	\$ 300	\$ 0	\$ 0	\$ 300
REPLACE CULVERT: This project will replace the park's culvert #1210 at Main Park Road.				
Raccoon Creek State Park	1,500	0	0	1,500
REPLACE BRIDGE: This project will replace Bridge #1209 at Main Park Road.				
<u>BRADFORD COUNTY</u>				
Mount Pisgah State Park	200	0	0	200
REPLACE SEWAGE TREATMENT FACILITY: This project will replace the sewage treatment plant with on-lot systems to meet current needs and code compliance.				
<u>BUCKS COUNTY</u>				
Delaware Canal State Park	500	0	0	500
REPLACE BRIDGES: This project will replace bridges at Odettes to meet current needs.				
Delaware Canal State Park	125	0	0	125
REPLACE CULVERT: This project will replace a culvert at Airport Road.				
Delaware Canal State Park	500	0	0	500
REPLACE AQUEDUCT: This project will replace an aqueduct at Fry's Run.				
Neshaminy State Park	1,000	0	0	1,000
REHABILITATE POOL CONCESSION: This project will rehabilitate the pool concession and bathhouse building to meet current needs and code compliance.				
Nockamixon State Park	250	0	0	250
REHABILITATE ROADWAYS: This project will rehabilitate and repave various roadways within the park.				
<u>BUTLER COUNTY</u>				
Moraine State Park	1,300	0	0	1,300
UPGRADE WASTEWATER TREATMENT FACILITY: This project will upgrade the wastewater treatment plant to meet current needs and code compliance.				
Moraine State Park	2,000	0	0	2,000
REPLACE WATERMAIN: This project will replace the current water main on the north and south shores of the park.				
<u>CAMERON COUNTY</u>				
Elk State Forest	2,500	0	0	2,500
REHABILITATE FACILITY: This project will rehabilitate the Hicks Run Forest Maintenance Headquarters and construct a five bay pole building.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CAMERON COUNTY (continued)</u>				
Elk State Forest	\$ 200	\$ 0	\$ 0	\$ 200
REHABILITATE FACILITY: This project will rehabilitate the Miller Run Wildlife Viewing Area and Canoe Launch.				
<u>CARBON COUNTY</u>				
Lehigh Gorge State Park	500	0	0	500
REPLACE BRIDGE: This project will replace Rockport Bridge #1400 including supports.				
Bald Eagle State Park	250	0	0	250
PAVE ROADS: This project will provide for a maintenance headquarters access road, pole building access road and district office parking lot.				
Black Moshannon State Park	1,500	0	0	1,500
EXPAND LEARNING CENTER: This project will expand the Environmental Learning Center and parking at the Park Office.				
<u>CLEARFIELD COUNTY</u>				
Moshannon State Forest	100	0	0	100
REPAIR DAM: This project will repair a dam at Beaver Run.				
<u>CLINTON COUNTY</u>				
Sproul State Forest	650	0	0	650
REPLACE WORKSHOP: This project will provide for the replacement of Hyner Workshop including the demolition of the existing workshop.				
<u>CRAWFORD COUNTY</u>				
Pymatuning State Park	400	0	0	400
REPLACE STROAGE TANKS: This project will provide for the removal of underground storage tanks at Jamestown Livery and Linesville Livery and replace with above ground storage tanks at liveries.				
<u>CUMBERLAND COUNTY</u>				
Kings Gap Environmental Education Center	150	0	0	150
REHABILITATE WATER TOWER: This project will provide for the rehabilitation of a water tower at Kings Gap Environmental Education Center.				
Pine Grove Furnace State Park	1,000	0	0	1,000
REHABILITATE HOSTEL: This project will provide for Phase 1 of the rehabilitation of the hostel to meet current needs and code compliance.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>DAUPHIN COUNTY</u>				
Forestry Central Office	\$ 350	\$ 0	\$ 0	\$ 350
CONSTRUCT POLE BUILDING: This project will provide for the construction of a five bay standard pole building at Fire Cache (Haldeman).				
<u>FAYETTE COUNTY</u>				
Ohioypyle State Park	1,100	0	0	1,100
REHABILITATE CHANGEHOUSE: This project will provide for the rehabilitation of the Private Boaters Change House.				
<u>FRANKLIN COUNTY</u>				
Michaux State Forest	200	0	0	200
DEMOLISH BUILDING: This project will provide for the demolition of the demolish Glatfelter Building and remediate the				
Michaux State Forest	300	0	0	300
REPLACE HVAC: This project will replace the HVAC system at the district office.				
<u>FULTON COUNTY</u>				
Cowans Gap State Park	180	0	0	180
REHABILITATE PARK RESIDENCE: This project will provide for the rehabilitation and relocation of the park residence.				
<u>HUNTINGDON COUNTY</u>				
Rothrock State Forest	250	0	0	250
CONSTRUCT PUBLIC CONTACT STATION: This project will provide for the construction of a public contact station at Pine Grove Mountain.				
Rothrock State Forest	560	0	0	560
LAND RECLAMATION: This project will provide for the reclamation of Diamond Valley/PA Furnace Roads.				
Rothrock State Forest	250	0	0	250
EXPAND PARKING: This project will provide for the District Office Parking Lot expansion including drainage and paving.				
<u>LACKAWANNA COUNTY</u>				
Pinchot State Forest	150	0	0	150
CONSTRUCT TRAILHEAD: This project will provide for the construction of a trailhead with parking at the Crystal Lake Tract.				
<u>LUZERNE COUNTY</u>				
Hickory Run State Park	3,500	0	0	3,500
REPLACE PIT LATRINES: This project will provide for the removal of pit latrines and replace with modern comfort stations.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MONROE COUNTY</u>				
Delaware State Forest	\$ 250	\$ 0	\$ 0	\$ 250
DEMOLISH CAMP: This project will provide for the demolition of the Rock Hill Scout Camp and Target Remediation.				
Delaware State Forest	250	0	0	250
REPAIR DAM: This project will provide for the repair of the Lily Pond Dam.				
Gouldsboro State Park	1,000	0	0	1,000
REPLACE PIT LATRINES: This project will provide for the removal of pit latrines and replace with modern comfort stations with sewage.				
<u>MONTGOMERY COUNTY</u>				
Evansburg State Park	1,000	0	0	1,000
RELOCATE OFFICE: This project will provide for the relocation of the park office.				
<u>NORTHUMBERLAND COUNTY</u>				
Shikellamy State Park	1,750	0	0	1,750
REPAIR DAM: This project will provide for the replacement of bags 1 & 7 on the inflatable dam.				
<u>POTTER COUNTY</u>				
Cherry Springs State Park	1,500	0	0	1,500
REHABILITATE ASTRONOMY AREA: This project will provide for the rehabilitation of the Astronomy Programming Area within the park.				
<u>SCHUYLKILL COUNTY</u>				
Weiser State Forest	500	0	0	500
REPLACE BRIDGE: This project will provide for the replacement of the South Branch Trail Bridge over South Branch Roaring Creek.				
<u>SULLIVAN COUNTY</u>				
Worlds End State Park	200	0	0	200
REHABILITATE DAM: This project will provide for the replacement of Beach Dam.				
<u>TIOGA COUNTY</u>				
Leonard Harrison State Park	150	0	0	150
REPAIR WATER LINE: This project will provide for the drilling of a well and replacing water line.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES (continued)

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>TIOGA COUNTY (continued)</u>				
Tioga State Forest	\$ 300	\$ 0	\$ 0	\$ 300
CONSTRUCT STORAGE BUILDING: This project will provide for the construction of a Groomer Storage Building at Ansonia Forest Maintenance Headquarters.				
<u>WESTMORELAND COUNTY</u>				
Forbes State Forest	350	0	0	350
CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole building at Laurel Ridge Maintenance Facility.				
Keystone State Park	300	0	0	300
CONNECT SEWAGE PLANT: This project will provide for the connection of a sewage treatment plant within the park to the municipal sewage plant.				
<u>YORK COUNTY</u>				
Gifford Pinchot State Park	300	0	0	300
CONSTRUCT POLE BUILDING: This project will provide for the construction of a pole storage building.				
PROGRAM TOTAL.....	<u>\$ 29,615</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,615</u>

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM GROWING GREENER ENVIRONMENTAL STEWARDSHIP FUND CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>LUZERNE COUNTY</u>				
Pinchot State Forest	\$ 1,000	\$ 0	\$ 0	\$ 1,000
DEMOLISH INFRASTRUCTURE: This project will provide for the demolition of infrastructure of the former Moon Lake County Park.				
PROGRAM TOTAL.....	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,000</u>

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM STATE FORESTRY BRIDGE CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BERKS COUNTY</u>				
William Penn State Forest	\$ 200	\$ 0	\$ 0	\$ 200
REPLACE BRIDGE: This project will provide for the replacement of the Goat Hill Bridge on an unnamed road over an unnamed creek.				
<u>CAMERON COUNTY</u>				
Elk State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Dents Run Road over Dark Hollow.				
Elk State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Mix Run Road over Archie Barr Hollow.				
<u>CLEARFIELD COUNTY</u>				
Moshannon State Forest	210	0	0	210
REPLACE STRUCTURE: This project will replace Bridge No. 09-0038 at Gordon Road over Whitney Run.				
Moshannon State Forest	210	0	0	210
REPLACE STRUCTURE: This project will replace Bridge No. 09-0039, at Harley Dean Road over Laurel Run.				
Moshannon State Forest	210	0	0	210
REPLACE STRUCTURE: This project will replace Bridge No. 09-0040, at Blackwell Road over tributary to Laurel Run.				
Moshannon State Forest	400	0	0	400
REPLACE STRUCTURE: This project will replace a structure at Medix Grade Road over a tributary to Medix Run & Wilson Switchback Road.				
Moshannon State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Tyler Road over Abbot Run.				
Moshannon State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Crystal Springs Road over Lick Run.				
Moshannon State Forest	350	0	0	350
REPLACE STRUCTURE: This project will replace a structure at Medix Grade Road over Medix Run.				
Moshannon State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Laurel Run Road over Laurel Run.				
Moshannon State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Mill Run Road over tributary to Mill Run.				
Moshannon State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Reservoir Road over an unnamed tributary.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM STATE FORESTRY BRIDGE CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CLINTON COUNTY</u>				
Sproul State Forest	\$ 200	\$ 0	\$ 0	\$ 200
REPLACE STRUCTURE: This project will replace a structure at Cooks Run Road over an unnamed tributary to Cole Run.				
Sproul State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a structure at Coon Run Road over Swamp Branch Big Run.				
<u>FRANKLIN COUNTY</u>				
Michaux State Forest	360	0	0	360
REPLACE BRIDGE: This project will provide for the replacement of Bridge #0017, at the District Road Bridge over Raccoon Run.				
Michaux State Forest	200	0	0	200
REPLACE CULVERT: This project will replace a box culvert on an unnamed road off Mount Hope Road over Middle Creek.				
<u>FULTON COUNTY</u>				
Buchanan State Forest	200	0	0	200
REPLACE CULVERT: This project will replace a box culvert at Oregon Road over Oregon Creek.				
Buchanan State Forest	350	0	0	350
CONSTRUCT BRIDGE: This project will provide for the construction of a bridge at Tailgate Road over an unnamed tributary to Licking Creek.				
<u>HUNTINGDON COUNTY</u>				
Rothrock State Forest	210	0	0	210
REPLACE STRUCTURE: This project will replace Bridge No. 05-0029, at Spruce Mountain Road over unnamed tributary.				
Rothrock State Forest	210	0	0	210
REPLACE STRUCTURE: This project will replace Bridge No. 05-0030, at Cinklin Road over Lingle Creek.				
<u>LYCOMING COUNTY</u>				
Tiadaghton State Forest	350	0	0	350
REPLACE STRUCTURE: This project will replace a structure at Cove Road over White Deer Hole Creek.				
Tiadaghton State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace a Rocky Ridge Road structure over Robbins Run.				
Tiadaghton State Forest	200	0	0	200
REPLACE STRUCTURE: This project will replace Bridge No. 12-0031, at Rocky Ridge Road over Robbins Run.				
<u>MONROE COUNTY</u>				
Delaware State Forest	400	0	0	400
REPLACE BRIDGES: This project will replace Bridge No. 19-0009 Five Mile Meadow Road over unnamed creek and Bridge No. 19-0010 Five Mile Meadow Road Over Little Bushkill Creek.				

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM STATE FORESTRY BRIDGE CURRENT REVENUES (continued)

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MONROE COUNTY (continued)</u>				
Delaware State Forest	\$ 350	\$ 0	\$ 0	\$ 350
REPLACE CULVERTS: This project will provide for the replacement of two box culverts at Camp William Penn.				
<u>POTTER COUNTY</u>				
Susquehannock State Forest	210	0	0	210
REPLACE STRUCTURE: This project will replace Bridge No. 15-9000, at Lebo Road over Big Spring Branch of Lebo Run.				
<u>SULLIVAN COUNTY</u>				
Loyalsock State Forest	210	0	0	210
REPLACE CULVERT: This project will replace a culvert at McCarty Road over Dutters Run.				
Loyalsock State Forest	225	0	0	225
REPLACE STRUCTURE: This project will replace a structure at Little Bear Road over Bryan Hollow.				
<u>TIOGA COUNTY</u>				
Tioga State Forest	250	0	0	250
REPLACE STRUCTURE: This project will replace a structure at Right ASPH Road over Bear Wallow Branch.				
Tioga State Forest	597	0	0	597
REPLACE STRUCTURE: This project will replace a structure at Painter Leetonia Road over Four Mile Run.				
<u>UNION COUNTY</u>				
Bald Eagle State Forest	360	0	0	360
REPLACE BRIDGE: This project will replace Bridge No. 07-0001, at Havice Valley Road over Havice Creek.				
Bald Eagle State Forest	210	0	0	210
REPLACE BRIDGE: This project will replace Bridge No. 07-9006, at Engle Road over White Deer Creek.				
Bald Eagle State Forest	360	0	0	360
REPLACE BRIDGE: This project will replace Bridge No. 07-0025, at Swift Run Road over Swift Run.				
Bald Eagle State Forest	350	0	0	350
REPLACE BRIDGE: This project will replace Bridge No. 07-0037 at Stony Run Road over Stony Run.				
<u>WESTMORELAND COUNTY</u>				
Forbes State Forest	200	0	0	200
CONSTRUCT CULVERT: This project will construct a new culvert at North Wolf Rock Road.				
PROGRAM TOTAL.....	<u>\$ 9,382</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,382</u>

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM ATV/SNOWMOBILE FUNDS CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>POTTER COUNTY</u>				
Susquehannock State Forest				
REPLACE CULVERT: This project will provide for the replacement of a culvert over the West Branch of Pine Creek on the ATV Trail.	\$ 350	\$ 0	\$ 0	\$ 350
PROGRAM TOTAL.....	<u>\$ 350</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 350</u>

Department of Conservation and Natural Resources 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM DIRT AND GRAVEL ROAD FUNDS CURRENT REVENUES

Program: Parks and Forest Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CLARION COUNTY</u>				
Clear Creek State Forest	\$ 300	\$ 0	\$ 0	\$ 300
RELOCATE ROAD: This project will provide for the relocation/construction of Highland Drive Road and a new parking lot.				
<u>CLINTON COUNTY</u>				
Sproul State Forest	308	0	0	308
REHABILITATE ROAD: This project will provide for the rehabilitation of Birch Island Road.				
<u>HUNTINGDON COUNTY</u>				
Rothrock State Forest	250	0	0	250
ROAD RECLAMATION: This project will provide for Phase 3 of the reclamation of Stoney Creek Road.				
<u>LYCOMING COUNTY</u>				
Tiadaughton State Forest	250	0	0	250
REHABILITATE ROAD: This project will provide for the rehabilitation of Mill Creek Road and bank stabilization.				
<u>LYCOMING COUNTY</u>				
Tiadaughton State Forest	550	0	0	550
ROAD RECLAMATION: This project will provide for the reclamation of State Run Road and paving.				
<u>PIKE COUNTY</u>				
Promised Land State Park	1,000	0	0	1,000
PAVE ROADS: This project will provide for the paving of roads within the park.				
<u>WESTMORELAND COUNTY</u>				
Forbes State Forest	800	0	0	800
WIDEN ROAD: This project will provide for Phase 1 of the widening of Linn Run Road.				
<u>WESTMORELAND COUNTY</u>				
Forbes State Forest	800	0	0	800
REHABILITATE ROAD: This project will provide for the rehabilitation and overlay of Laurel Summit Road.				
PROGRAM TOTAL.....	<u>\$ 4,258</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,258</u>

DEPARTMENT OF CORRECTIONS AND REHABILITATION

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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders.....	\$ 185,770	\$ 0	\$ 42,105	\$ 227,875
TOTAL.....	<u>\$ 185,770</u>	<u>\$ 0</u>	<u>\$ 42,105</u>	<u>\$ 227,875</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 185,770	\$ 0	\$ 42,105	\$ 227,875
TOTAL.....	<u>\$ 185,770</u>	<u>\$ 0</u>	<u>\$ 42,105</u>	<u>\$ 227,875</u>

Department of Corrections and Rehabilitation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Institutionalization of Offenders

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>ALLEGHENY COUNTY</u>				
State Correctional Institution at Pittsburgh	\$ 5,650	\$ 0	\$ 600	\$ 6,250
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>BERKS COUNTY</u>				
Wernersville Community Corrections Center	1,200	0	300	1,500
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>CENTRE COUNTY</u>				
State Correctional Institution at Benner	2,500	0	500	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
State Correctional Institution at Rockview	2,800	0	700	3,500
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>CLEARFIELD COUNTY</u>				
State Correctional Institution at Houtzdale	11,780	0	2,945	14,725
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
Quehanna Motivational Boot Camp	1,600	0	400	2,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>CRAWFORD COUNTY</u>				
State Correctional Institution at Cambridge Springs	6,200	0	1,550	7,750
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>CUMBERLAND COUNTY</u>				
State Correctional Institution at Camp Hill	20,960	0	5,240	26,200
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
Additional Funding: This project will provide additional funding for project 573-27 to replace steam pipes at the facility.	2,500	0	0	2,500

Department of Corrections and Rehabilitation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Institutionalization of Offenders

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>DELAWARE COUNTY</u>				
State Correctional Institution at Chester	\$ 2,400	\$ 0	\$ 600	\$ 3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>ERIE COUNTY</u>				
State Correctional Institution at Albion	7,160	0	1,040	8,200
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
Additional Funding: This project will provide additional funding for project 371-4 to replace various roofs at the facility.	4,600	0	0	4,600
<u>FAYETTE COUNTY</u>				
State Correctional Institution at Fayette	6,480	0	1,620	8,100
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>FOREST COUNTY</u>				
State Correctional Institution at Forest	11,660	0	2,915	14,575
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>GREENE COUNTY</u>				
State Correctional Institution at Greene	2,400	0	600	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>HUNTINGDON COUNTY</u>				
State Correctional Institution at Huntingdon	2,400	0	600	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
State Correctional Institution at Smithfield	2,400	0	600	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				

Department of Corrections and Rehabilitation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Institutionalization of Offenders

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>INDIANA COUNTY</u>				
State Correctional Institution at Pine Grove	\$ 2,400	\$ 0	\$ 600	\$ 3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>LANCASTER COUNTY</u>				
Elizabethtown Training Academy	1,960	0	490	2,450
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>LUZERNE COUNTY</u>				
State Correctional Institution at Dallas	2,400	0	600	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
State Correctional Institution at Retreat	2,400	0	600	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>LYCOMING COUNTY</u>				
State Correctional Institution at Muncy	15,680	0	3,920	19,600
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>MERCER COUNTY</u>				
State Correctional Institution at Mercer	4,080	0	1,020	5,100
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>MONTGOMERY COUNTY</u>				
State Correctional Institution at Graterford	1,200	0	300	1,500
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
State Correctional Institution at Phoenix	28,000	0	7,000	35,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				

Department of Corrections and Rehabilitation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Institutionalization of Offenders

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MONTGOMERY COUNTY (continued)</u>				
State Correctional Institution at Phoenix	\$ 5,500	\$ 0	\$ 500	\$ 6,000
Housing Units: This project will provide for the installation of several housing units.				
<u>NORTHUMBERLAND COUNTY</u>				
State Correctional Institution at Coal	4,560	0	1,140	5,700
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>SCHUYLKILL COUNTY</u>				
State Correctional Institution at Frackville	4,820	0	1,205	6,025
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
State Correctional Institution at Mahanoy	3,000	0	750	3,750
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>SOMERSET COUNTY</u>				
State Correctional Institution at Laurel Highlands	2,400	0	600	3,000
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
State Correctional Institution at Somerset	3,800	0	950	4,750
RENOVATE INSTITUTION: This project will provide for the renovation of the institution including new construction, structure and infrastructure deficiencies, and security system upgrades to meet current needs.				
<u>WAYNE COUNTY</u>				
State Correctional Institution at Waymart	8,880	0	2,220	11,100
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.				
PROGRAM TOTAL.....	<u>\$ 185,770</u>	<u>\$ 0</u>	<u>\$ 42,105</u>	<u>\$ 227,875</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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
Higher Education - State-Related Universities.....	\$ 20,000	\$ 0	\$ 5,000	\$ 25,000
Higher Education - State System of Higher Education.....	15,800	0	3,200	19,000
Educational Support Services.....	1,000	0	0	1,000
TOTAL.....	<u>\$ 36,800</u>	<u>\$ 0</u>	<u>\$ 8,200</u>	<u>\$ 45,000</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 36,800	\$ 0	\$ 8,200	\$ 45,000
Capital Facilities Fund - Furniture and Equipment.....	0	0	0	0
TOTAL.....	<u>\$ 36,800</u>	<u>\$ 0</u>	<u>\$ 8,200</u>	<u>\$ 45,000</u>

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Higher Education - State-Related Universities

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>PHILADELPHIA COUNTY</u>				
Temple University	\$ 20,000	\$ 0	\$ 5,000	\$ 25,000
CONSTRUCT INTERNATIONAL CENTER: This project will provide for the construction of an international center to meet the needs of the growing international community.				
PROGRAM TOTAL.....	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ 25,000</u>

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Higher Education - State System of Higher Education

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BERKS COUNTY</u>				
Kutztown University	\$ 800	\$ 0	\$ 200	\$ 1,000
RENOVATE POPLAR HOUSE ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Poplar House to meet modern needs and codes.				
<u>BUTLER COUNTY</u>				
Slippery Rock University	4,200	0	800	5,000
RENOVATE STUDENT SUCCESS CENTER ADDITIONAL FUNDING: This project will provide additional funding for the renovation of the Student Success Center.				
<u>CHESTER COUNTY</u>				
Cheyney University	8,300	0	1,700	10,000
RENOVATE COPE HALL: This project will provide additional funding for the renovation of Cope Hall.				
Cheyney University	2,500	0	500	3,000
DEMOLISH BUILDINGS ADDITIONAL FUNDING: This project will provide additional funding for the demolition of underutilized buildings throughout the campus.				
PROGRAM TOTAL.....	<u>\$ 15,800</u>	<u>\$ 0</u>	<u>\$ 3,200</u>	<u>\$ 19,000</u>

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Education Support Services - Department of Education

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>DAUPHIN COUNTY</u>				
Department of Education	\$ 1,000	\$ 0	\$ 0	\$ 1,000
RENOVATE DEPARTMENT HEADQUARTERS: This project will provide for the renovation of two floors of the Department Headquarters.				
PROGRAM TOTAL.....	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,000</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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
Environmental Protection and Management.....	\$ 2,660	\$ 0	\$ 611	\$ 3,271
TOTAL.....	<u>\$ 2,660</u>	<u>\$ 0</u>	<u>\$ 611</u>	<u>\$ 3,271</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 2,660	\$ 0	\$ 611	\$ 3,271
TOTAL.....	<u>\$ 2,660</u>	<u>\$ 0</u>	<u>\$ 611</u>	<u>\$ 3,271</u>

Department of Environmental Protection 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Environmental Protection and Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>PHILADELPHIA COUNTY</u>				
Schuylkill River Project	\$ 425	\$ 0	\$ 85	\$ 510
REPAIR FLAT ROCK DAM FACILITIES: This project will provide for the rehabilitation of the canal wall upstream of the dam and install erosion control materials around the dam and canal.				
<u>SCHUYLKILL COUNTY</u>				
Schuylkill River Project	185	0	37	222
REPAIR NEW KERNSVILLE DAM FACILITIES: This project will provide for the rehabilitation of the existing facilities at the New Kernsville Dam including roof and gutter replacement lead paint abatement, safety fence, and concrete work.				
Schuylkill River Project	195	0	39	234
REPAIR AUBURN DAM FACILITIES: This project will provide for the rehabilitation of the existing facilities at the Auburn Dam including roof and gutter replacement, lead paint abatement, safety fence, and concrete work.				
Schuylkill River Project	275	0	55	330
REPAIR TAMAQUA DAM FACILITIES: This project will provide for the rehabilitation of the existing facilities at the Tamaqua Dam including roof and gutter replacement, lead paint abatement, safety fence, and concrete work.				
<u>WESTMORELAND COUNTY</u>				
Northmont Flood Protection Project	660	0	165	825
FLOOD PROTECTION PROJECT: This project will provide for the replacement of 1,400 feet of reinforced concrete pipe, 200 feet of trapezoid channel and 325 feet of concrete channel.				
Jeannette 2 Flood Protection Project	920	0	230	1,150
FLOOD PROTECTION PROJECT: This project will provide for the replacement of the right bank of Brush Creek with new earthen levee and concrete flood wall, replace drainage pipes and sluice gates, and construct retention basin.				
PROGRAM TOTAL.....	<u>\$ 2,660</u>	<u>\$ 0</u>	<u>\$ 611</u>	<u>\$ 3,271</u>

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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
Facility, Property and Commodity Management.....	\$ 29,300	\$ 0	\$ 6,200	\$ 35,500
TOTAL.....	<u>\$ 29,300</u>	<u>\$ 0</u>	<u>\$ 6,200</u>	<u>\$ 35,500</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 29,300	\$ 0	\$ 6,200	\$ 35,500
TOTAL.....	<u>\$ 29,300</u>	<u>\$ 0</u>	<u>\$ 6,200</u>	<u>\$ 35,500</u>

Department of General Services 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Facility, Property and Commodity Management

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>DAUPHIN COUNTY</u>				
Capitol Complex - Central Plant REPLACE COOLING TOWER PIPES: This project will provide for the replacement and upgrade of the pipes.	\$ 1,600	\$ 0	\$ 400	\$ 2,000
Capitol Complex - Central Plant UPGRADE SYSTEMS: This project will provide for the upgrade and replacement of outdated and failing systems to include electrical, chiller replacement, motors and piping.	4,000	0	1,000	5,000
Capitol Complex - Finance Building RENOVATE ELEVATOR: This project will provide for the renovation of the elevators including cab, shaft, mechanical and controls to meet current codes.	4,500	0	500	5,000
Capitol Complex - Health & Welfare Building REPLACE WINDOWS: This project will provide for the replacement of first floor windows to help control HVAC issues and energy efficiency.	800	0	200	1,000
Capitol Complex - Labor & Industry, Health & Welfare Bldgs. WEATHERPROOF BUILDINGS: This project will provide for the building envelope improvements including exterior caulking, weather proofing and general exterior maintenance improvements.	3,200	0	800	4,000
Capitol Complex - East Wing REPAIR INTERIOR SURFACES: This project will provide for the repair of the interior surfaces of the East Wing due to water leaks.	3,000	0	0	3,000
Capitol Complex - East Wing REPLACE GENERATORS: This project will provide for the replacement of emergency generators servicing the East Wing and Main Capitol.	2,000	0	500	2,500
Capitol Complex - Main Capitol Plaza REPOINT BALUSTRADES: This project will provide for the repointing of concrete balustrades due to failing material weather and age.	1,000	0	500	1,500
Various Buildings REPLACE LIFE SAFETY SYSTEMS: This project will provide for the replacement of life safety systems that have reached the end of their useful life throughout the capitol complex.	9,200	0	2,300	11,500
PROGRAM TOTAL.....	<u>\$ 29,300</u>	<u>\$ 0</u>	<u>\$ 6,200</u>	<u>\$ 35,500</u>

DEPARTMENT OF HUMAN 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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
Human Services.....	\$ 43,700	\$ 0	\$ 8,180	\$ 51,880
TOTAL.....	<u>\$ 43,700</u>	<u>\$ 0</u>	<u>\$ 8,180</u>	<u>\$ 51,880</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 43,700	\$ 0	\$ 8,180	\$ 51,880
TOTAL.....	<u>\$ 43,700</u>	<u>\$ 0</u>	<u>\$ 8,180</u>	<u>\$ 51,880</u>

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Human Services

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BERKS COUNTY</u>				
Wernersville State Hospital	\$ 3,000	\$ 0	\$ 600	\$ 3,600
REPLACE DOMESTIC HOT WATER: This project will provide of the replacement of hot water steam generators which have exceeded their useful life.				
Wernersville State Hospital	1,500	0	300	1,800
ELECTRICAL UPGRADE: This project will provide for an upgrade to the existing electrical system.				
<u>CAMBRIA COUNTY</u>				
Ebensburg Center	800	0	160	960
INSTALL CONTROL SYSTEM: This project will provide for the installation of an automated logic control system to allow complete control of HVAC systems.				
Ebensburg Center	1,000	0	200	1,200
UPGRADE ELEVATOR: This project will provide for the upgrade of the existing elevator, which has exceeded its useful life.				
<u>LUZERNE COUNTY</u>				
White Haven Center	2,000	0	400	2,400
REPLACE HVAC: This project will provide for the replacement of the current HVAC with a modern more efficient system.				
White Haven Center	1,000	0	200	1,200
UPGRADE ELEVATORS: This project will provide for the upgrade of existing elevators, which have exceeded its useful life.				
<u>MONTOUR COUNTY</u>				
Danville State Hospital	2,000	0	400	2,400
RESURFACE ROADWAYS: This project will provide for the resurfacing of deteriorated roadways, parking areas and paved sections.				
North Central Secure Treatment	4,800	0	960	5,760
UDGRADE HVAC SYSTEMS: This project will provide for the upgrade of HVAC systems in the Reed and Green Buildings including synchronization with the Administration Building.				
<u>PERRY COUNTY</u>				
Loysville Youth Development Center	3,300	0	660	3,960
UPDATE STEAM LINES: This project will provide for the update existing steam and condensate lines, which have exceeded their useful life.				

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Human Services

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>SNYDER COUNTY</u>				
Selinsgrove Center	\$ 1,000	\$ 0	\$ 0	\$ 1,000
REFURBISH WATER TANKS ADDITIONAL FUNDING: This project will provide for additional funding for project 553-43 to sandblast, repair and paint water tanks.				
Selinsgrove Center	5,000	0	1,000	6,000
INSTALL GAS BOILERS: This project will provide for the installation of bag house or gas boilers to meet emissions requirements.				
<u>VENANGO COUNTY</u>				
Polk Center	500	0	100	600
REROOF BUILDINGS: This project will provide for reroofing of residential buildings including repair of the structure as needed.				
<u>WARREN COUNTY</u>				
Warren State Hospital	6,000	0	1,200	7,200
REPLACE WATER LINES: This project will provide for the replacement of domestic and fire protection water lines throughout the campus.				
Warren State Hospital	1,800	0	0	1,800
UPGRADE ELECTRICAL SYSTEM ADDITIONAL FUNDING: This project will provide for additional funding for project 514-27 to upgrade the electrical system.				
<u>WESTMORELAND COUNTY</u>				
Torrance State Hospital	10,000	0	2,000	12,000
UPGRADE VIDEO SURVEILLANCE: This project will provide for the upgrade of video surveillance throughout the campus.				
 PROGRAM TOTAL.....	 \$ 43,700	 \$ 0	 \$ 8,180	 \$ 51,880

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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
State Military Readiness.....	\$ 43,000	\$ 0	\$ 12,100	\$ 55,100
Veterans Homes.....	48,500	0	12,124	60,624
TOTAL.....	<u>\$ 91,500</u>	<u>\$ 0</u>	<u>\$ 24,224</u>	<u>\$ 115,724</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 59,975	\$ 0	\$ 16,343	\$ 76,318
Other Revenues				
Federal Funds.....	\$ 31,525	\$ 0	\$ 7,881	\$ 39,406
TOTAL.....	<u>\$ 91,500</u>	<u>\$ 0</u>	<u>\$ 24,224</u>	<u>\$ 115,724</u>

Department of Military and Veterans Affairs 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: State Military Readiness

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>ADAMS COUNTY</u>				
Gettysburg Army Reserve Center	\$ 3,000	\$ 0	\$ 750	\$ 3,750
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings including an unheated storage facility and parking.				
<u>CENTRE COUNTY</u>				
State College Readiness Center and Maintenance Shop	6,000	0	1,500	7,500
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings including an unheated storage facility and parking for the readiness center and maintenance shop.				
<u>CLINTON COUNTY</u>				
Lock Haven Field Maintenance Shop	3,000	0	750	3,750
REHABILITATE MAINTENANCE SHOP: This project will provide for the rehabilitation of various buildings including an unheated storage facility and parking for the maintenance shop.				
<u>FAYETTE COUNTY</u>				
Connellsville Readiness Center	2,000	0	500	2,500
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings including an unheated storage facility and parking.				
Hillard Army Reserve Center	3,000	0	750	3,750
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings including an unheated storage facility and parking.				
<u>LEBANON COUNTY</u>				
Fort Indiantown Gap Readiness Center	6,000	0	2,000	8,000
CONSTRUCT NEW ADMINISTRATION BUILDING: This project will provide for the construction of a new administration building with parking for the Office of Veterans Affairs.				
Fort Indiantown Gap Readiness Center	6,000	0	2,000	8,000
CONSTRUCT SECURITY FENCING: This project will provide for the construction of security fencing and infrastructure.				
Fort Indiantown Gap Readiness Center	6,000	0	2,000	8,000
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of infrastructure including roads, utilities sewer and storm water management, and associated facilities.				
Fort Indiantown Gap Readiness Center	3,000	0	600	3,600
REHABILITATE VETERANS MEMORIAL: This project will provide for the rehabilitation of the PA Veterans Memorial at the Veterans Cemetery including various buildings monuments and parking facilities.				

Department of Military and Veterans Affairs 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: State Military Readiness

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>LUZERNE COUNTY</u>				
Plains Township Army Reserve Center	\$ 3,000	\$ 0	\$ 750	\$ 3,750
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings including an unheated storage facility and parking.				
<u>SUSQUEHANNA COUNTY</u>				
New Milford Readiness Center	2,000	0	500	2,500
REHABILITATE READINESS CENTER: This project will provide for the rehabilitation of various buildings including an unheated storage facility and parking.				
PROGRAM TOTAL.....	<u>\$ 43,000</u>	<u>\$ 0</u>	<u>\$ 12,100</u>	<u>\$ 55,100</u>

Department of Military and Veterans Affairs 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Veterans Homes

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BLAIR COUNTY</u>					
Holidaysburg Veterans Home	State	\$ 16,975	\$ 0	\$ 4,243	\$ 21,218
CONSTRUCTION OF NEW COMMUNITY LIVING CENTER: This project will provide for Phase 2 of the construction of a new 200-bed community living center to meet future needs and code requirements.	Federal	31,525	0	7,881	39,406
Total State.....		\$ 16,975	\$ 0	\$ 4,243	\$ 21,218
Total Federal.....		31,525	0	7,881	39,406
PROGRAM TOTAL.....		<u>\$ 48,500</u>	<u>\$ 0</u>	<u>\$ 12,124</u>	<u>\$ 60,624</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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
Public Protection and Law Enforcement.....	\$ 61,000	\$ 5,000	\$ 15,250	\$ 81,250
TOTAL.....	<u>\$ 61,000</u>	<u>\$ 5,000</u>	<u>\$ 15,250</u>	<u>\$ 81,250</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 61,000	\$ 5,000	\$ 15,250	\$ 81,250
TOTAL.....	<u>\$ 61,000</u>	<u>\$ 5,000</u>	<u>\$ 15,250</u>	<u>\$ 81,250</u>

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Public Protection and Law Enforcement

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>DAUPHIN COUNTY</u>				
Department Headquarters	\$ 5,000	\$ 0	\$ 1,250	\$ 6,250
REHABILITATE HEADQUARTERS: This project will provide for the upgrade and rehabilitation of department headquarters including replacing generators, elevators, and the roof.				
State Police Academy	56,000	5,000	14,000	75,000
REHABILITATE ACADEMY: This project will provide for Phase 5 of the rehabilitation of the Academy Complex to meet current and future needs.				
PROGRAM TOTAL.....	<u>\$ 61,000</u>	<u>\$ 5,000</u>	<u>\$ 15,250</u>	<u>\$ 81,250</u>

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
2016-17 PUBLIC IMPROVEMENT PROJECTS				
State Highway, Bridge & Administration Construction/Reconstruction.....	\$ 982,075	\$ 84,650	\$ 152,825	\$ 1,219,550
HIGHWAY AND BRIDGE PROJECTS				
State Highway and Bridge Maintenance.....	\$ 380,432	\$ 24,150	\$ 25,743	\$ 430,325
TRANSPORTATION ASSISTANCE PROJECTS				
Urban Mass Transportation.....	\$ 557,447	\$ 0	\$ 61,937	\$ 619,384
Rail Freight Transportation.....	6,400	0	1,600	8,000
Air Transportation.....	1,500	0	0	1,500
TOTAL.....	<u>\$ 1,927,854</u>	<u>\$ 108,800</u>	<u>\$ 242,105</u>	<u>\$ 2,278,759</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Public Improvement Projects.....	\$ 700,600	\$ 49,000	\$ 100,400	\$ 850,000
Capital Facilities Fund - Transportation Assistance.....	252,537	0	28,782	281,319
Subtotal.....	\$ 953,137	\$ 49,000	\$ 129,182	\$ 1,131,319
Current Revenues				
Motor License Fund.....	\$ 551,035	\$ 56,325	\$ 68,189	\$ 675,549
Federal Funds.....	407,794	3,225	42,476	453,495
Local Funds.....	15,888	250	2,258	18,396
Subtotal.....	\$ 974,717	\$ 59,800	\$ 112,923	\$ 1,147,440
TOTAL.....	<u>\$ 1,927,854</u>	<u>\$ 108,800</u>	<u>\$ 242,105</u>	<u>\$ 2,278,759</u>

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>ADAMS COUNTY</u>				
Maintenance Facility	\$ 4,000	\$ 0	\$ 500	\$ 4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
<u>ALLEGHENY COUNTY</u>				
Safety Rest Area	3,000	0	500	3,500
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 11, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.				
Safety Rest Area	3,000	0	500	3,500
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 12, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.				
District Office 11-0	3,500	0	500	4,000
RENOVATE DISTRICT 11-0 OFFICE: This project will provide for the renovation of District Office 11-0 to bring building into code compliance including building systems, program requirements, and energy efficiency.				
Maintenance Facility	14,500	1,000	500	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
<u>ARMSTRONG COUNTY</u>				
Maintenance Facility	7,000	1,000	2,000	10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
<u>BEAVER COUNTY</u>				
Maintenance Facility	7,000	1,000	2,000	10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
<u>BEDFORD COUNTY</u>				
Maintenance Facility	19,500	2,500	3,000	25,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
<u>BERKS COUNTY</u>				
Maintenance Facility	4,000	0	500	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
<u>BLAIR COUNTY</u>				
District Office 9-0	3,500	0	500	4,000
RENOVATE DISTRICT 9-0 OFFICE: This project will provide for the renovation of District Office 9-0 to bring building into code compliance including building systems, program requirements, and energy efficiency.				
Maintenance Facility	4,000	0	500	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

BRADFORD COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 7,000	\$ 1,000	\$ 2,000	\$ 10,000

BUCKS COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

7,000 1,000 2,000 10,000

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site P, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

BUTLER COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

4,000 0 500 4,500

CAMBRIA COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

13,500 2,000 500 16,000

CAMERON COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

4,000 0 500 4,500

CARBON COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

7,000 1,000 2,000 10,000

CENTRE COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

7,000 1,000 2,000 10,000

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 29, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 30, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

CHESTER COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

4,000 0 500 4,500

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CLARION COUNTY</u>				
Maintenance Facility CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	\$ 14,000	\$ 1,500	\$ 500	\$ 16,000
<u>CLEARFIELD COUNTY</u>				
District Office 2-0 RENOVATE DISTRICT 2-0 OFFICE: This project will provide for the renovation of District Office 2-0 to bring building into code compliance including building systems, program requirements, and energy efficiency.	3,500	0	500	4,000
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
<u>COLUMBIA COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 37, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 38, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
<u>CRAWFORD COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 19, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 20, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
<u>CUMBERLAND COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Safety Rest Area CONSTRUCT REST AREA: This project will provide for the construction of a Safety Rest Area Site 45, including site acquisition and development, utilities, and a Pennsylvania State Police inspection lane.	8,650	500	1,350	10,500

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

CUMBERLAND COUNTY (continued)

Safety Rest Area

CONSTRUCT REST AREA: This project will provide for the construction of a Safety Rest Area Site 46, including site acquisition and development, utilities, and a Pennsylvania State Police inspection lane.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 8,650	\$ 500	\$ 1,350	\$ 10,500

DAUPHIN COUNTY

Commercial Service Center

CONSTRUCT COMMERCIAL DRIVING CENTER: This project will provide for construction of a commercial driver and vehicle service center including auxiliary buildings, site work, land acquisition for drivers licensing, testing and processing.

19,500 3,000 2,500 25,000

District Office 8-0

RENOVATE DISTRICT 8-0 OFFICE: This project will provide for the renovation of District Office 8-0 to bring building into code compliance including building systems, program requirements, and energy efficiency.

3,500 0 500 4,000

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

4,000 0 500 4,500

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 47, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 48, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

DELAWARE COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

15,000 3,000 2,000 20,000

Welcome Center

RENOVATE WELCOME CENTER: This project will provide for the renovation of Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.

3,000 0 500 3,500

ELK COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for renovation of a maintenance facility to bring building into code compliance including building systems, program requirements, and energy efficiency.

2,000 0 500 2,500

ERIE COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

13,500 2,000 500 16,000

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site L, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>FAYETTE COUNTY</u>				
District Office 12-0	\$ 3,500	\$ 0	\$ 500	\$ 4,000
RENOVATE DISTRICT 12-0 OFFICE: This project will provide for the renovation of District Office 12-0 to bring the building into code compliance including building systems, program requirements, and energy efficiency.				
Maintenance Facility	4,000	0	500	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
<u>FOREST COUNTY</u>				
Maintenance Facility	2,000	0	500	2,500
UPGRADE MAINTENANCE FACILITY: This project will provide for renovation of a maintenance facility to bring building into code compliance including building systems, program requirements, and energy efficiency.				
<u>FRANKLIN COUNTY</u>				
Maintenance Facility	7,000	1,000	2,000	10,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
Welcome Center	3,000	0	500	3,500
RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring the building into code compliance including building systems, program requirements, and energy efficiency.				
<u>FULTON COUNTY</u>				
Maintenance Facility	14,500	1,000	500	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
Safety Rest Area	3,000	0	500	3,500
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 3, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.				
Welcome Center	3,000	0	500	3,500
RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring the building into code compliance including building systems, program requirements, and energy efficiency.				
<u>GREENE COUNTY</u>				
Maintenance Facility	14,500	1,000	500	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
Welcome Center	3,000	0	500	3,500
RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring the building into code compliance including building systems, program requirements, and energy efficiency.				
<u>HUNTINGDON COUNTY</u>				
Maintenance Facility	14,000	1,000	1,000	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

INDIANA COUNTY

District Office 10-0

RENOVATE DISTRICT 10-0 OFFICE: This project will provide for the renovation of District Office 10-0 to bring the building into code compliance including building systems, program requirements, and energy efficiency.

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

JEFFERSON COUNTY

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 25, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 26, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

JUNIATA COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

LACKAWANNA COUNTY

District Office 4-0

RENOVATE DISTRICT 4-0 OFFICE: This project will provide for the renovation of District Office 4-0 to bring building into code compliance including building systems, program requirements, and energy efficiency.

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 55, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

LANCASTER COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

LAWRENCE COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 3,500	\$ 0	\$ 500	\$ 4,000
13,500	2,000	500	16,000
3,000	0	500	3,500
3,000	0	500	3,500
13,500	2,000	500	16,000
13,500	2,000	500	16,000
3,500	0	500	4,000
4,000	0	500	4,500
3,000	0	500	3,500
4,000	0	500	4,500
7,000	1,000	2,000	10,000

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>LAWRENCE COUNTY (continued)</u>				
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 25, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	\$ 3,000	\$ 0	\$ 500	\$ 3,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 26, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
<u>LEBANON COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
<u>LEHIGH COUNTY</u>				
District Office 5-0 RENOVATE DISTRICT 5-0 OFFICE: This project will provide for the renovation of District Office 5-0 to bring the building into code compliance including building systems, program requirements, and energy efficiency.	3,500	0	500	4,000
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 39, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 53, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
<u>LUZERNE COUNTY</u>				
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 54, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
<u>LYCOMING COUNTY</u>				
District Office 3-0 RENOVATE DISTRICT 3-0 OFFICE: This project will provide for the renovation of District Office 3-0 to the bring building into code compliance including building systems, program requirements, and energy efficiency.	3,500	0	500	4,000
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500

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FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

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(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MCKEAN COUNTY</u>				
Maintenance Facility CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	\$ 13,500	\$ 2,000	\$ 500	\$ 16,000
<u>MERCER COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	2,000	0	500	2,500
Welcome Center RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.	3,000	0	500	3,500
<u>MIFFLIN COUNTY</u>				
Maintenance Facility CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	7,000	1,000	2,000	10,000
<u>MONROE COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 41, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
Welcome Center RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring the building into code compliance including building systems, program requirements, and energy efficiency.	3,000	0	500	3,500
<u>MONTGOMERY COUNTY</u>				
District Office 6-0 RENOVATE DISTRICT 6-0 OFFICE: This project will provide for the renovation of District Office 6-0 to bring the building into code compliance including building systems, program requirements, and energy efficiency.	3,500	0	500	4,000
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Parking Garage REPLACE PARKING GARAGE: This project will provide for the replacement of the District Office parking garage including site development and lighting.	4,700	0	300	5,000
Traffic Management Center RENOVATE TRAFFIC MANAGEMENT CENTER: This project will provide for the renovation and upgrade of the Traffic Management Center to meet current requirements.	24,000	0	6,000	30,000

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FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

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(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MONTOUR COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	\$ 4,000	\$ 0	\$ 500	\$ 4,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 35, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 36, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
<u>NORTHAMPTON COUNTY</u>				
Maintenance Facility CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	7,000	1,000	2,000	10,000
<u>NORTHUMBERLAND COUNTY</u>				
Maintenance Facility CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	7,000	1,000	2,000	10,000
<u>PERRY COUNTY</u>				
Maintenance Facility CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	7,000	1,000	2,000	10,000
<u>PHILADELPHIA COUNTY</u>				
Maintenance Facility CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	7,000	1,000	2,000	10,000
<u>PIKE COUNTY</u>				
Maintenance Facility UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.	4,000	0	500	4,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 61, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
Safety Rest Area RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 62, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.	3,000	0	500	3,500
Welcome Center RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.	3,000	0	500	3,500

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PUBLIC IMPROVEMENT PROJECTS

FROM CAPITAL FACILITIES BOND FUND

Program: State Highway, Bridge & Administration Construction/Reconstruction

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(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>POTTER COUNTY</u>				
Maintenance Facility	\$ 4,000	\$ 0	\$ 500	\$ 4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
<u>SCHUYLKILL COUNTY</u>				
Maintenance Facility	4,000	0	500	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
<u>SNYDER COUNTY</u>				
Maintenance Facility	2,000	0	500	2,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
<u>SOMERSET COUNTY</u>				
Maintenance Facility	13,500	2,000	500	16,000
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.				
<u>SULLIVAN COUNTY</u>				
Maintenance Facility	4,000	0	500	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
<u>SUSQUEHANNA COUNTY</u>				
Maintenance Facility	4,000	0	500	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
Safety Rest Area	3,000	0	500	3,500
RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 56, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.				
Welcome Center	3,000	0	500	3,500
RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.				
<u>TIOGA COUNTY</u>				
Maintenance Facility	4,000	0	500	4,500
UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.				
Welcome Center	3,000	0	500	3,500
RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.				
<u>UNDETERMINED COUNTY</u>				
Bridge Beam Facilities	8,100	0	900	9,000
CONSTRUCT BRIDGE BEAM FACILITIES: This project will provide for the design and construction of three new bridge beam fabrication facilities in three areas to be determined.				

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(Dollar Amounts in Thousands)

UNION COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 4,000	\$ 0	\$ 500	\$ 4,500

VENANGO COUNTY

District Office 1-0

RENOVATE DISTRICT 1-0 OFFICE: This project will provide for the renovation of District Office 1-0 to bring the building into code compliance including building systems, program requirements, and energy efficiency.

3,500 0 500 4,000

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

4,000 0 500 4,500

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 21, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

Safety Rest Area

RENOVATE REST AREA: This project will provide for the renovation of Safety Rest Area Site 22, including roof replacement, building systems, sidewalks, curbing, steps, parking lot, and sewage plant upgrades.

3,000 0 500 3,500

WARREN COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

13,500 2,000 500 16,000

WASHINGTON COUNTY

Maintenance Facility

UPGRADE MAINTENANCE FACILITY: This project will provide for the upgrade of the maintenance facility to bring into code compliance.

8,000 0 2,000 10,000

Welcome Center

RENOVATE WELCOME CENTER: This project will provide for the renovation of the Welcome Center to bring building into code compliance including building systems, program requirements, and energy efficiency.

3,000 0 500 3,500

WAYNE COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

7,000 1,000 2,000 10,000

WESTMORELAND COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

13,500 2,000 500 16,000

WYOMING COUNTY

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of maintenance facility to include site acquisition and development, design and construction of buildings and utility work.

7,000 1,000 2,000 10,000

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FROM CAPITAL FACILITIES BOND FUND

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(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>YORK COUNTY</u>				
Maintenance Facility				
CONSTRUCT MAINTENANCE FACILITY: This project will provide for the construction of a maintenance facility to include site acquisition and development, design and construction of buildings and utility work.	\$ 7,000	\$ 1,000	\$ 2,000	\$ 10,000
 PROGRAM TOTAL.....	<u>\$ 700,600</u>	<u>\$ 49,000</u>	<u>\$ 100,400</u>	<u>\$ 850,000</u>

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway, Bridge & Administration Construction/Reconstruction

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

ADAMS COUNTY

Stockpile Facilities

CONSTRUCT STOCKPILE FACILITIES: This project will provide for the construction or renovation of three stockpile facilities with site acquisition.

Storage Buildings

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of seven storage buildings for general use.

Vehicle Wash Facility

CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.

ALLEGHENY COUNTY

Roof and Floor Drain Separator

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the maintenance facility.

Roof Replacement

REPLACE ROOF: This project will provide for the roof replacement at the county office.

Roof Replacement

REPLACE ROOF: This project will provide for the roof replacement on the county maintenance and stockpile facility.

Salt Stockpile Buildings

CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of two salt storage buildings and personnel staging area.

Stockpile Facilities

CONSTRUCT STOCKPILE FACILITIES: This project will provide for the construction or renovation of three stockpile facilities with site acquisition.

Storage Buildings

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of five storage buildings for general use.

Maintenance Facility

CONSTRUCT MAINTENANCE FACILITY: This project will provide for the development of a maintenance facility including site purchase, design and construction of all required buildings at the Allegheny Tunnel.

ARMSTRONG COUNTY

Floor Drain

SEPARATE FLOOR DRAINS: This project will provide for the disconnection of the floor drains from the storm drain system at two facilities.

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction or renovation of three stockpile facilities with site acquisition.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 4,750	\$ 700	\$ 1,050	\$ 6,500
2,975	0	525	3,500
300	0	50	350
470	0	30	500
500	0	50	550
500	0	50	550
900	0	100	1,000
6,900	100	1,000	8,000
2,175	0	325	2,500
2,400	100	500	3,000
1,900	0	100	2,000
450	0	50	500
1,750	750	500	3,000

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BEAVER COUNTY</u>				
Electrical Upgrade	\$ 1,450	\$ 0	\$ 150	\$ 1,600
INSTALL GENERATOR: This project will provide for the installation of generators and electrical upgrades for two county maintenance buildings.				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Storage Buildings	1,700	0	300	2,000
CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of four storage buildings for general use.				
<u>BEDFORD COUNTY</u>				
Roof and Floor Drains Separator	920	0	80	1,000
SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system and add an oil water separator at the county facilities.				
Salt Stockpile Buildings	1,400	0	100	1,500
CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of three salt storage building and personnel staging area.				
Stockpile Facilities	7,200	300	1,500	9,000
CONSTRUCT STOCKPILE FACILITIES: This project will provide for the construction or renovation of three stockpile facilities with site acquisition.				
Storage Buildings	1,400	0	100	1,500
CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.				
<u>BERKS COUNTY</u>				
Roof and Floor Drains Separator	900	0	100	1,000
SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system and add an oil water separator at the county facilities.				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,000	500	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
Storage Building	450	0	50	500
CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.				
Vehicle Wash Facility	1,100	0	200	1,300
CONSTRUCT VEHICLE WASH FACILITY: This project will provide for the construction of a vehicle wash facility including site work, utilities and wash equipment.				

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(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BLAIR COUNTY</u>				
Electrical Upgrade INSTALL GENERATORS: This project will provide for the installation of two generators and associated electrical equipment at two county facilities.	\$ 1,050	\$ 0	\$ 150	\$ 1,200
Salt Stockpile Buildings CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of three salt storage buildings and personnel staging area.	1,400	0	100	1,500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>BRADFORD COUNTY</u>				
Salt Stockpile Buildings CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of two salt storage buildings with personnel staging area.	1,000	0	100	1,100
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>BUCKS COUNTY</u>				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the maintenance facility.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions and construction of all required buildings.	2,000	500	500	3,000
<u>BUTLER COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
<u>CAMBRIA COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>CAMERON COUNTY</u>				
Bridge Beam Facility RENOVATE BRIDGE BEAM FACILITY: This project will provide for the renovation and expansion of the current facility.	2,750	0	250	3,000

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Program: State Highway, Bridge & Administration Construction/Reconstruction

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(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CAMERON COUNTY (continued)</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	\$ 450	\$ 0	\$ 50	\$ 500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>CARBON COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>CENTRE COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
<u>CHESTER COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	425	0	75	500
<u>CLARION COUNTY</u>				
Roof Replacement REPLACE ROOF: This project will provide for the roof replacement on the county office.	550	0	50	600
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
Weigh Station RENOVATE WEIGH STATION: This project will provide for the renovation of a Pennsylvania State Police weigh station.	1,700	0	300	2,000

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	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CLEARFIELD COUNTY</u>				
Salt Stockpile Building	\$ 450	\$ 0	\$ 50	\$ 500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>CLINTON COUNTY</u>				
Maintenance Facility	2,000	0	500	2,500
UPGRADE MAINTENANCE FACILITY: This project will provide for renovation of maintenance facility to bring building into code compliance including building systems, program requirements, and energy efficiency.				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>COLUMBIA COUNTY</u>				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>CRAWFORD COUNTY</u>				
Bridge Beam Facility	2,750	0	250	3,000
RENOVATE BRIDGE BEAM FACILITY: This project will provide for the renovation and expansion of the current facility.				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>CUMBERLAND COUNTY</u>				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,300	200	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
Storage Buildings	1,290	0	210	1,500
CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.				

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(Dollar Amounts in Thousands)

DAUPHIN COUNTY

Keystone Building

REORGANIZE KEYSTONE BUILDING: This project will provide for the reorganization of the Keystone Building floors 5 thru 9 including construction of private offices and building systems upgrades for energy efficiency.

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Server Farm Building

RENOVATE SERVER FARM BUILDING: This project will provide for renovate, expand, upgrade and repair to bring building into code compliance and energy efficiency.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

Storage Buildings

CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of five storage buildings for general use.

Truck Wash Facilities

CONSTRUCT TRUCK WASH Facilities: This project will provide for the construction of truck wash facilities including site work, utilities and wash equipment.

DELAWARE COUNTY

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

Truck Wash Facility

CONSTRUCT TRUCK WASH FACILITIES: This project will provide for the construction of truck wash facilities including site work, utilities and wash equipment.

ELK COUNTY

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 650	\$ 0	\$ 100	\$ 750
450	0	50	500
3,350	0	150	3,500
2,000	500	500	3,000
2,125	0	375	2,500
1,400	0	300	1,700
450	0	50	500
2,000	500	500	3,000
2,400	0	400	2,800
450	0	50	500
1,750	750	500	3,000

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(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>ERIE COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	\$ 450	\$ 0	\$ 50	\$ 500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>FAYETTE COUNTY</u>				
Electrical Upgrade INSTALL GENERATORS: This project will provide for the installation of generators and electrical upgrades for the county facilities.	1,800	0	200	2,000
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITIES: This project will provide for the construction of a stockpile facility including land acquisitions.	4,800	600	600	6,000
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.	450	0	50	500
<u>FOREST COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
<u>FRANKLIN COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of five storage buildings for general use.	2,125	0	375	2,500
<u>FULTON COUNTY</u>				
Bridge Beam Facility CONSTRUCT BRIDGE FACILITY: This project will provide for the construction of a bridge building facility including site development and utilities.	500	0	50	550
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of five salt storage buildings and personnel staging areas.	2,300	0	200	2,500

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(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>FULTON COUNTY (continued)</u>				
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	\$ 2,000	\$ 500	\$ 500	\$ 3,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of seven storage buildings for general use.	3,225	0	325	3,550
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.	800	0	200	1,000
Maintenance Facility RENOVATE MAINTENANCE FACILITY: This project will provide for the renovation of a maintenance facility including facility systems, work areas, HVAC, water, lighting, floors and other building systems.	2,250	0	750	3,000
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of two salt storage buildings and personnel staging areas.	900	0	100	1,000
Stockpile Facility CONSTRUCT STOCKPILE FACILITIES: This project will provide for the construction of two stockpile facilities including land acquisitions.	4,800	200	1,000	6,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	900	0	100	1,000
<u>HUNTINGDON COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
<u>INDIANA COUNTY</u>				
Regional Salt Stockpile Facility CONSTRUCT REGIONAL SALT STOCKPILE FACILITY: This project will provide for the construction of a regional facility including land acquisitions to manage salt distribution to salt storage facilities.	1,200	150	150	1,500
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>JEFFERSON COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>JUNIATA COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	\$ 450	\$ 0	\$ 50	\$ 500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
<u>LACKAWANNA COUNTY</u>				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>LANCASTER COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of three stockpile facilities including land acquisitions.	6,350	1,150	1,500	9,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of three storage buildings for general use.	1,275	0	225	1,500
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.	350	0	0	350
<u>LAWRENCE COUNTY</u>				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Salt Stockpile Buildings CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of two salt storage buildings and personnel staging areas.	900	0	100	1,000
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of two storage buildings for general use.	900	0	100	1,000

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LEBANON COUNTY

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

LEHIGH COUNTY

HVAC System

UPGRADE HVAC SYSTEM: This project will provide for the upgrade of the HVAC system in all buildings at the county maintenance facility.

Regional Salt Stockpile Facility

CONSTRUCT REGIONAL SALT STOCKPILE FACILITY: This project will provide for the construction of a regional facility including land acquisitions to manage salt distribution to salt storage facilities.

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

Truck Wash Facility

CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.

LUZERNE COUNTY

Roof and Floor Drain Separator

SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

LYCOMING COUNTY

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

MCKEAN COUNTY

Salt Stockpile Building

CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.

Stockpile Facility

CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 450	\$ 0	\$ 50	\$ 500
2,300	200	500	3,000
450	0	50	500
1,200	150	150	1,500
450	0	50	500
2,000	500	500	3,000
800	0	200	1,000
450	0	50	500
450	0	50	500
2,000	500	500	3,000
1,750	750	500	3,000
450	0	50	500
1,750	750	500	3,000

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MERCER COUNTY</u>				
Bridge Beam Facility	\$ 2,750	\$ 0	\$ 250	\$ 3,000
RENOVATE FACILITY: This project will provide for the renovation of the Bridge Beam Facility.				
Floor Drain	950	0	50	1,000
SEPARATE FLOOR DRAIN: This project will provide for the disconnection of the floor drain from the storm drain system at the county facility.				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
Truck Wash Facility	1,200	0	300	1,500
CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.				
<u>MIFFLIN COUNTY</u>				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>MONROE COUNTY</u>				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,000	500	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>MONTGOMERY COUNTY</u>				
Electrical Upgrade	6,000	0	500	6,500
INSTALL GENERATOR: This project will provide for the installation of generator and electrical upgrade at the maintenance buildings.				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,000	500	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
Storage Building	850	0	150	1,000
CONSTRUCT STORAGE BUILDING: This project will provide for the construction of two storage buildings for general use.				
<u>MONTOUR COUNTY</u>				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>NORTHAMPTON COUNTY</u>				
Salt Stockpile Building	\$ 450	\$ 0	\$ 50	\$ 500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,000	500	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
Truck Wash Facility	1,200	0	300	1,500
CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.				
<u>NORTHUMBERLAND COUNTY</u>				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>PERRY COUNTY</u>				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,000	500	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
Truck Wash Facility	800	0	200	1,000
CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.				
<u>PHILADELPHIA COUNTY</u>				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,000	500	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
<u>PIKE COUNTY</u>				
Salt Stockpile Building	450	0	50	500
CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.				
Stockpile Facility	2,000	500	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				
Storage Buildings	1,700	0	300	2,000
CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of four storage buildings for general use.				
<u>POTTER COUNTY</u>				
Stockpile Facility	1,750	750	500	3,000
CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.				

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>SCHUYLKILL COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	\$ 450	\$ 0	\$ 50	\$ 500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
<u>SNYDER COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
<u>SOMERSET COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of five salt storage buildings and personnel staging areas.	2,300	0	200	2,500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of five storage buildings for general use.	2,300	0	200	2,500
<u>SULLIVAN COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
<u>SUSQUEHANNA COUNTY</u>				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Storage Building CONSTRUCT STORAGE BUILDING: This project will provide for the construction of one storage building for general use.	450	0	50	500
<u>TIOGA COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>UNION COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	\$ 450	\$ 0	\$ 50	\$ 500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
<u>VENANGO COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
<u>WARREN COUNTY</u>				
Bridge Beam Facility RENOVATE BRIDGE BEAM FACILITY: This project will provide for the renovation and expansion of the current facility.	2,750	0	250	3,000
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	1,750	750	500	3,000
<u>WASHINGTON COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of five salt storage buildings and personnel staging areas.	2,300	0	200	2,500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,400	100	500	3,000
<u>WAYNE COUNTY</u>				
County Maintenance Garage UPGRADE HVAC: This project will provide for the installation of radiant heating and HVAC upgrades at the county facility.	600	0	150	750
County Maintenance Garage RESURFACE FLOOR: This project will provide for the resurfacing of the floor at the county maintenance garage.	450	0	50	500
Regional Salt Stockpile Facility CONSTRUCT REGIONAL SALT STOCKPILE FACILITY: This project will provide for the construction of a regional facility including land acquisitions to manage salt distribution to salt storage facilities.	1,200	150	150	1,500
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>WAYNE COUNTY (continued)</u>				
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	\$ 2,000	\$ 500	\$ 500	\$ 3,000
County Maintenance Garage CONSTRUCT MAINTENANCE BUILDING: This project will provide for the construction of a maintenance building with a weld shop.	3,000	0	250	3,250
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	920	0	80	1,000
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDINGS: This project will provide for the construction of five salt storage buildings and personnel staging areas.	2,300	0	200	2,500
Stockpile Facilities CONSTRUCT STOCKPILE Facilities: This project will provide for the construction of stockpile facilities including land acquisitions.	7,200	300	1,500	9,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of four storage buildings for general use.	1,900	0	200	2,100
<u>WYOMING COUNTY</u>				
Roof and Floor Drain Separator SEPARATE DRAINS: This project will provide for the separation of floor and roof drains and add an oil/water separator at the county facility.	450	0	50	500
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of seven storage buildings for general use.	3,025	0	475	3,500
<u>YORK COUNTY</u>				
Salt Stockpile Building CONSTRUCT STOCKPILE BUILDING: This project will provide for the construction of a salt storage building and personnel staging area.	450	0	50	500
Stockpile Facility CONSTRUCT STOCKPILE FACILITY: This project will provide for the construction of a stockpile facility including land acquisitions.	2,000	500	500	3,000
Storage Buildings CONSTRUCT STORAGE BUILDINGS: This project will provide for the construction of five storage buildings for general use.	2,125	0	375	2,500
Truck Wash Facility CONSTRUCT TRUCK WASH FACILITY: This project will provide for the construction of a truck wash facility including site work, utilities and wash equipment.	900	0	100	1,000
PROGRAM TOTAL	<u>\$ 281,475</u>	<u>\$ 35,650</u>	<u>\$ 52,425</u>	<u>\$ 369,550</u>

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Highway

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>ADAMS COUNTY</u>					
Road Overlay	State	\$ 2,464	\$ 0	\$ 0	\$ 2,464
RESURFACE ROAD: This project will provide for the mill and overlay PA 116 from west of Honda Road to west of Front Street.					
<u>ALLEGHENY COUNTY</u>					
Interchange Improvement	State	3,300	600	160	4,060
IMPROVE INTERCHANGE: This project will provide for the improvement of Thorn Run Road interchange in Moon Township.	Federal	801	0	0	801
	Local	2,900	150	40	3,090
<u>ARMSTRONG COUNTY</u>					
Road Overlay	State	1,106	0	0	1,106
RESURFACE COWANSVILLE ROAD: This project will provide for the resurfacing of Cowansville South from Lemon Hollow Road to Boltz Road.					
Road Overlay	State	609	0	0	609
RESURFACE BUNKER HILL ROAD: This project will provide for the mill and overlay of Bunker Hill Road from PA 128 to Hickory Street.					
Road Overlay	State	1,480	235	33	1,748
RESURFACE SR 66: This project will provide for the mill and overlay of SR 66 from Spruce Hollow Road to Dime Road.	Federal	5,920	940	132	6,992
Road Overlay	State	4,000	0	0	4,000
RESURFACE SR 66: This project will provide for the mill and overlay of SR 66 from Fifth Avenue to SR 422.					
Road Overlay	State	3,500	0	0	3,500
RESURFACE PA 839: This project will provide for the mill and overlay of PA 839 from Smith Road to SEG 130.					
<u>BERKS COUNTY</u>					
Road Realignment	State	784	0	0	784
REALIGN PENN AVENUE: This project will provide for the realignment of Penn Avenue in Sinking Spring Borough.					
Road Overlay	State	429	0	0	429
RESURFACE SR 1003: This project will provide for the mill and overlay of SR 1003 from Cross Keys Road to Pottsville Pike.					
Road Overlay	State	880	0	0	880
RESURFACE SEISHOLTZVILLE ROAD: This project will provide for the mill and overlay of Seisholtzville Road from Hunter Forge Road to PA 29.					
Road Overlay	State	740	0	0	740
RESURFACE PARK ROAD: This project will provide for the mill and overlay of Park Road from Guldin Road to Fleetwood Borough Line.					
Road Overlay	State	600	0	0	600
RESURFACE I-176: This project will provide for the micro surfacing of I-176 from Shiloh Road to Chestnut Hill Road.					

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<u>BERKS COUNTY (continued)</u>					
Road Overlay	State	\$ 1,950	\$ 0	\$ 0	\$ 1,950
RESURFACE SR 183: This project will provide for the mill and overlay of SR 183 from South Tulpehocken Road to Old Church Road.					
Road Overlay	State	756	0	0	756
RESURFACE SR 183: This project will provide for the mill and overlay of SR 183 from 3rd Street to Mercer Street.					
Road Overlay	State	1,958	0	0	1,958
RESURFACE SR 183: This project will provide for the mill repair and overlay of SR 183 from Old Church Road to Main Street.					
Road Overlay	State	142	0	0	142
RESURFACE OLEY TURNPIKE: This project will provide for the mill repair and overlay of Oley Turnpike from PA 562 to SR 2021.					
Road Overlay	State	155	0	0	155
RESURFACE HOFFMANSVILLE ROAD: This project will provide for the mill and overlay of Hoffmansville Road from PA 100 to County Line Road.					
Road Overlay	State	140	0	0	140
RESURFACE NIAHTIC ROAD: This project will provide for the mill and overlay of Niantic Road from PA 100 to Apple Street.					
Road Overlay	State	2,650	0	15	2,665
RESURFACE SR 2069: This project will provide for the mill and overlay of SR 2069 from Montgomery Street to Oberholtzer Road.					
Road Overlay	State	680	0	0	680
RESURFACE OLD RT 100: This project will provide for the mill and overlay of SR 2069 from Race Street to Main Street.					
Utility Relocation	State	78	0	0	78
RELOCATE UTILITY POLE: This project will provide for the utility pole relocation and burial of utility cables between Toll Gate Road and Pine Tree Road.					
	Federal	698	0	0	698
Road Safety Enhancements	State	600	0	0	600
ROAD SAFETY IMPROVEMENTS: This project will provide for the roadway safety improvements on State Hill Road from Business Route 422 to Colony Drive.					
	Federal	2,400	0	0	2,400
Road Overlay	State	474	0	0	474
RESURFACE BENJAMIN FRANKLIN HIGHWAY: This project will provide for the mill and overlay of Benjamin Franklin Highway (US 422) from Big Spring Road to Pearl Street.					

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		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>BERKS COUNTY (continued)</u>					
Road Overlay	State	\$ 2,565	\$ 0	\$ 0	\$ 2,565
RESURFACE BENJAMIN FRANKLIN HIGHWAY: This project will provide for the mill repair and overlay of Benjamin Franklin Highway (US 422) from ADA Ramp to PA 662.					
Road Overlay	State	305	0	0	305
RESURFACE BENJAMIN FRANKLIN HIGHWAY: This project will provide for the mill and overlay of Benjamin Franklin Highway (US 422) from Pearl Street to Wernersville Borough Line.					
Road Overlay	State	410	0	0	410
RESURFACE BENJAMIN FRANKLIN HIGHWAY: This project will provide for the mill and overlay of Benjamin Franklin Highway (US 422) from SR 3037 to Big Spring Road.					
Road Overlay	State	992	0	0	992
RESURFACE BENJAMIN FRANKLIN HIGHWAY: This project will provide for the mill repair and overlay of Benjamin Franklin Highway (US 422) from Lebanon County Line to PA 419.					
Road Overlay	State	640	0	0	640
RESURFACE BENJAMIN FRANKLIN HIGHWAY: This project will provide for the mill repair and overlay of Benjamin Franklin Highway (US 422) from PA 419 to SR 3037.					
Road Overlay	State	2,646	0	0	2,646
RESURFACE PA 61: This project will provide for the mill and overlay of PA 61 from SR 1003 to Zions Church Road.					
Road Overlay	State	1,485	0	0	1,485
RESURFACE PA 61: This project will provide for the mill and overlay of PA 61 from Greenwich Road to Tuckerton Road.					
Road Overlay	State	4,300	0	15	4,315
RESURFACE SR 724: This project will provide for the mill and overlay of SR 724 from US 422 to SR 10.					
Road Enhancements	State	300	0	0	300
INSTALL SAFETY IMPROVEMENTS: This project will provide for corridor safety improvements of SR 724 from Iroquois Avenue to Jefferson Boulevard.					
	Federal	1,200	0	0	1,200
<u>BUTLER COUNTY</u>					
Road Overlay	State	1,953	262	5	2,220
RESURFACE ROAD: This project will provide for the mill and overlay of US 19 from Harmony Boro Line to Portersville Boro Line.					
	Federal	7,812	1,049	20	8,881
Intersection Improvements	State	1,150	482	1,122	2,754
INTERSECTION IMPROVEMENTS: This project will provide for intersection improvements of PA 228 and Saxonburg Boulevard.					
	Federal	4,600	0	0	4,600

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	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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BUTLER COUNTY (continued)

Road Enhancements

INSTALL SAFETY IMPROVEMENTS: This project will provide for Freedom Road safety improvements of SR 3020.

Federal	\$ 448	\$ 0	\$ 28	\$ 476
Local	112	0	9	121

Road Enhancements

INSTALL SAFETY IMPROVEMENTS: This project will provide for Little C Road safety improvements from US 19 to Mercer Road.

State	700	450	390	1,540
Federal	2,800	0	247	3,047

Road Overlay

RESURFACE ROAD: This project will provide for the mill and overlay of Cemetery Road from PA 8 to PA 308.

State	900	0	0	900
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Road Enhancements

INSTALL SAFETY IMPROVEMENTS: This project will provide for Moraine SP access road safety improvements at US 422 interchange.

State	4,200	140	870	5,210
Federal	0	0	440	440

Road Overlay

RESURFACE ROAD: This project will provide for the mill and overlay of PA 488 from Lawrence County Line to US 422.

State	3,500	0	0	3,500
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Road Overlay

RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 528 from PA 68 to I-79.

State	5,000	0	0	5,000
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Road Overlay

RESURFACE ROAD: This project will provide for mill and overlay of PA 8 from Wayne Street Viaduct to Penn Street.

State	1,000	0	0	1,000
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CAMERON COUNTY

Road Overlay

RESURFACE ROAD: This project will provide for mill and overlay of First Fork Road from south of Stevenson Dam to Potter County Line.

State	1,200	0	250	1,450
Federal	4,800	0	0	4,800

CARBON COUNTY

Road Overlay

RESURFACE ROAD: This project will provide for the mill and overlay of US 209 from Jim Thorpe Borough Line to Center Avenue.

State	910	0	0	910
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Road Overlay

RESURFACE ROAD: This project will provide for the mill and overlay of US 209 from PA 54 Nesquehoning to Lansford Road.

State	1,120	0	0	1,120
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Road Overlay

RESURFACE ROAD: This project will provide for the mill and overlay of I-80 from Luzerne-Carbon County Line to Turnpike Interchange Highway.

State	9,150	0	241	9,391
Federal	0	0	2,165	2,165

CLARION COUNTY

Road Overlay

RESURFACE BRIDGES: This project will provide for the mill and overlay Master Road with bridge and Huckleberry Ridge Road with bridge over I-80.

State	213	0	0	213
Federal	1,543	0	353	1,896

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		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CLEARFIELD COUNTY</u>					
Road Overlay	State	\$ 400	\$ 0	\$ 300	\$ 700
RESURFACE ROAD: This project will provide for the mill and overlay of Liberty Boulevard in the City of Dubois.	Federal	1,600	0	0	1,600
Road Overlay	State	6,577	0	0	6,577
RESURFACE ROADS: This project will provide for the mill and overlay of routes within the county.					
<u>CRAWFORD COUNTY</u>					
Road Overlay	State	342	0	50	392
RESURFACE ROAD: This project will provide for the mill and overlay of SR 198/SR 6 (Main Street) from South Street to McGill Street.					
<u>CUMBERLAND COUNTY</u>					
Road Overlay	State	1,731	0	0	1,731
RESURFACE ROAD: This project will provide for the mill repair and overlay of Valley Road from US 11 to Millennium Way.					
Road Overlay	State	2,300	0	25	2,325
RESURFACE ROAD: This project will provide for the mill repair and overlay of Enola Road from West Street to Valley Road.					
Road Enhancement	State	750	0	0	750
INSTALL ROUNDABOUT: This project will provide for the installation of a roundabout at the intersection of Lisburn Road and Rossmoyne Road.					
Road Overlay	State	1,812	10	0	1,822
RESURFACE ROAD: This project will provide for the mill repair and overlay of Carlisle Road from Creek Road to Bridge Street.					
<u>DAUPHIN COUNTY</u>					
Road Overlay	State	690	0	0	690
RESURFACE ROAD: This project will provide for the mill repair and overlay of Hanover Street from US 322 to Main Street.					
Road Overlay	State	813	0	0	813
RESURFACE ROAD: This project will provide for the mill repair and overlay of Colonial Road from US 22 to PA 39.					
Road Overlay	State	2,466	25	25	2,516
RESURFACE ROAD: This project will provide for the mill repair and overlay of Mountain Road from US 22 to Blue Stone Avenue.					
<u>ELK COUNTY</u>					
Highway Restoration	State	600	0	300	900
RESTORE HIGHWAY: This project will provide for the restoration of Boot Jack Bypass in Ridgeway Borough.	Federal	2,400	0	0	2,400

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<u>ERIE COUNTY</u>					
Road Widening	State	\$ 350	\$ 145	\$ 0	\$ 495
ROAD WIDENING: This project will provide for the widening of Hershey Road to Hamot Road in Summit Township.					
Road Overlay	Federal	500	0	0	500
RESURFACE ROAD: This project will provide for the mill repair and overlay of West 12th Street from Asbury Road to Pittsburgh Avenue.					
<u>FOREST COUNTY</u>					
Road Overlay	State	850	0	0	850
RESURFACE ROAD: This project will provide for the mill repair and overlay of Little Hickory Road from SR 62 to Germain Hill Road.					
Road Overlay	State	5,600	0	50	5,650
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 899 from the Jefferson/Forest County Line to SR 66.					
<u>FRANKLIN COUNTY</u>					
Road Overlay	State	675	0	0	675
RESURFACE ROAD: This project will provide for the mill repair and overlay of Main Street from Loudon Road to Fort Loudon Road.					
Road Overlay	State	450	0	0	450
RESURFACE ROAD: This project will provide for the mill repair and overlay of Buchanan Trail East from Midvale Road to Skiway Avenue.					
Road Overlay	State	2,464	0	15	2,479
RESURFACE ROAD: This project will provide for the mill repair and overlay of Buchanan Trail from Skiway Avenue Adams County Line.					
Road Overlay	State	1,100	0	0	1,100
RESURFACE ROAD: This project will provide for the mill repair and overlay of Midvale Road from Maryland State Line to Buchanan Trail East.					
Road Overlay	State	1,800	0	25	1,825
RESURFACE ROAD: This project will provide for the mill repair and overlay of Path Valley Road from Fannett Metal School Driveway to Horse Valley Road.					
Road Overlay	State	1,120	0	0	1,120
RESURFACE ROAD: This project will provide for the mill repair and overlay of Slate Hill Road from Buchanan Trail East to Welty Road.					
<u>INDIANA COUNTY</u>					
Road Enhancement	State	14,100	12,931	1,192	28,223
INSTALL CLIMBING LANE: This project will provide for the installation of a truck climbing lane on US 119 in Rayne Township.					
Road Enhancement	State	165	0	0	165
SAFETY IMPROVEMENTS: This project will provide for the safety improvements of existing at-grade intersection of PA 210 and Valier Road.					
	Federal	1,485	0	0	1,485

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<u>INDIANA COUNTY (continued)</u>					
Road Overlay	State	\$ 6,200	\$ 250	\$ 300	\$ 6,750
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 286 0.25 miles to intersection of SR 217.					
Road Overlay	State	2,818	0	0	2,818
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 954 from SR 210 to SR 954/4021 intersection.					
<u>JEFFERSON COUNTY</u>					
Road Overlay	State	12,100	1,311	65	13,476
RESURFACE ROAD: This project will provide for the mill repair and overlay of US 119 from Orchard Street to Smyers Street.					
Road Overlay	State	500	0	0	500
RESURFACE ROAD: This project will provide for the mill repair and overlay of Perry Street from New York Avenue to PA 36.					
Road Overlay	State	720	0	0	720
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 36 from Pansy Ringgold Road to Ballentine Road.					
Road Overlay	State	300	0	0	300
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 949 from PA 29 North to US 322.					
<u>LANCASTER COUNTY</u>					
Road Overlay	State	546	0	0	546
RESURFACE ROAD: This project will provide for the mill repair and overlay of Church Street from Ridge Avenue to PA 272.					
Road Overlay	State	2,934	0	11	2,945
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 23 from Corporate Boulevard to Race Street.					
Road Overlay	State	4,928	1,600	250	6,778
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 23 (Main Street) from Hellers Church Road to Granger Road.					
Road Overlay	State	2,173	0	0	2,173
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 230 from Linden Avenue to Stern Drive.					
Road Overlay	State	1,000	0	0	1,000
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 272 from Chester County Line to Little Britain Road.					
Road Overlay	State	2,254	0	500	2,754
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 272 from Grandview Avenue to Kurtz Road.					

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<u>LANCASTER COUNTY (continued)</u>					
Road Overlay	State	\$ 2,538	\$ 10	\$ 25	\$ 2,573
RESURFACE ROAD: This project will provide for the mill repair and overlay of US 322 from Lebanon County Line to Keener Road.					
Road Overlay	State	1,680	25	60	1,765
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 4011 (Fruitville Pike) from Parkwynne Road to Carter-Moir Drive.					
Road Overlay	State	2,316	0	20	2,336
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 4020 (Harrisburg Pike) from Plaza Boulevard to US 322.					
Road Overlay	State	2,027	0	0	2,027
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 472 from Noble Road to PA 372.					
Road Enhancement	State	0	0	100	100
SAFETY IMPROVEMENTS: This project will provide for the safety improvements of Strasburg Road from Paradise Lane to Georgetown Road.					
	Federal	460	0	0	460
Road Overlay	State	1,200	0	0	1,200
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA-896 (Georgetown Road) from Chester County Line to PA 372.					
<u>LEBANON COUNTY</u>					
Road Overlay	State	1,081	0	25	1,106
RESURFACE ROAD: This project will provide for the mill repair and overlay of N. College Street from US 422 to the County Line.					
Road Overlay	State	1,512	0	0	1,512
RESURFACE ROAD: This project will provide for the mill repair and overlay of Ebenezer Road from Lebanon City Line to Horst Drive.					
<u>LEHIGH COUNTY</u>					
Replace Culvert	State	223	12	4	239
SAFETY IMPROVEMENTS: This project will provide for the replacement of a culvert and add bike lane markings at 10th Street in Emmaus Borough.					
	Federal	0	0	0	0
Road Overlay	State	745	0	0	745
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 1002 from Werly Road to Cedar Crest Boulevard.					
Road Overlay	State	860	0	0	860
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 1002 from SR 3014 to Werly Road.					
Road Overlay	State	585	0	0	585
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 1023 from PA 145 to PA 329.					

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<u>LEHIGH COUNTY (continued)</u>					
Road Enhancement	State	\$ 150	\$ 0	\$ 0	\$ 150
SAFETY IMPROVEMENTS: This project will provide for the installment of a turning lane at PA 145 and Canterbury Road intersection.	Federal	1,350	0	0	1,350
Road Preservation	State	221	0	0	221
RESURFACE ROAD: This project will provide for the preservation and repair of various roads and bridges in Lehigh County.					
Road Overlay	State	1,045	0	0	1,045
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 4040 from Berks County Line to Schochart Road.					
Road Overlay	State	11,000	0	0	11,000
RESURFACE ROAD: This project will provide for the mill repair and overlay of I-78 from Berks County Line to Adams Road.					
Road Enhancement	State	2,500	0	450	2,950
SAFETY IMPROVEMENTS: This project will provide for the the installation of an auxiliary lane on I-78 EB 0494/2157 to 0504/0150 and WB 0505/1500 to 0501/0200.					
Road Enhancement	State	250	0	0	250
SAFETY IMPROVEMENTS: This project will provide for the improvements to the intersection of SR 329, SR 873, and Neffs Laury Road.	Federal	2,250	0	0	2,250
Road Enhancement	State	5,000	0	0	5,000
SAFETY IMPROVEMENTS: This project will provide for the improvements to FedEx Roadway along Airport Road, Postal Road/Avenue A and City Line Road.					
<u>LUZERNE COUNTY</u>					
Road Overlay	State	978	160	40	1,178
RESURFACE ROAD: This project will provide for the mill, reconstruction, repair and overlay of SR 339.					
<u>MCKEAN COUNTY</u>					
Road Overlay	State	600	0	300	900
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 219 Bradford Bypass.	Federal	2,400	0	0	2,400
Road Overlay	State	500	0	300	800
RESURFACE ROAD: This project will provide for the mill, reconstruction, repair and overlay of SR 44.	Federal	2,000	0	0	2,000
Road Overlay	State	4,385	0	0	4,385
RESURFACE ROAD: This project will provide for the mill repair and overlay of various routes countywide.					
Road Overlay	State	600	0	300	900
RESURFACE ROAD: This project will provide for the mill, reconstruction, repair and overlay of SR 646 from Ormsby to Aiken.	Federal	2,400	0	0	2,400

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		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MCKEAN COUNTY (continued)</u>					
Road Overlay	State	\$ 500	\$ 0	\$ 300	\$ 800
RESURFACE ROAD: This project will provide for the mill, reconstruction, repair and overlay of SR 66 from south of Kane to Elk County Line.	Federal	2,000	0	0	2,000
<u>MIFFLIN COUNTY</u>					
Road Overlay	State	3,210	0	0	3,210
RESURFACE ROAD: This project will provide for the mill repair and overlay of various routes countywide.					
<u>MONROE COUNTY</u>					
Road Enhancement	State	1,495	5	0	1,500
SAFETY IMPROVEMENTS: This project will provide for the improvements to the interchange of SR 115 and I-80.	Local	0	100	800	900
Road Enhancement	State	200	0	0	200
SAFETY IMPROVEMENTS: This project will provide for the improvements of SR 196 from SR940 to Old Post Road.	Federal	1,800	0	0	1,800
Road Overlay	State	1,980	0	0	1,980
RESURFACE ROAD: This project will provide for the mill repair and overlay of US 209 from SR 2012 to the Pike County Line.					
Road Enhancement	State	100	0	0	100
SAFETY IMPROVEMENTS: This project will provide for improvements to the intersection of Cherry Valley Road and Kunkletown Road.	Federal	900	0	0	900
Road Enhancement	State	100	0	0	100
SAFETY IMPROVEMENTS: This project will provide for the installation of a ramp queue detection system to the off ramp to Tobyhanna Army Depot.	Federal	400	0	0	400
Road Overlay	State	1,840	0	0	1,840
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 715 from US 209 to Mountain Road.					
Road Overlay	State	1,190	0	0	1,190
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 940 from Mount Pocono Road to PA 191.					
<u>NORTHAMPTON COUNTY</u>					
Road Enhancement	State	250	0	0	250
SAFETY IMPROVEMENTS: This project will provide for the safety improvements of S. 25th Street from Freemansburg Avenue to the Divided Highway at the county line.	Federal	2,250	0	0	2,250
Road Overlay	State	1,775	0	0	1,775
RESURFACE ROAD: This project will provide for the mill repair and overlay of Hackett Avenue from Northampton Street to Bushkill Road.					
Road Overlay	State	495	0	0	495
RESURFACE ROAD: This project will provide for the mill repair and overlay of Lafayette Street from Bushkill Road to PA 611.					

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Highway

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>NORTHAMPTON COUNTY (continued)</u>					
Road Overlay	State	\$ 668	\$ 0	\$ 0	\$ 668
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 412 from Bucks County Line to Polk Valley Road.					
<u>PERRY COUNTY</u>					
Road Overlay	State	1,673	0	0	1,673
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 17 (Sunberry Path) from Davidson Road to US 11 (Susquehanna Trail).					
<u>SCHUYLKILL COUNTY</u>					
Road Overlay	State	1,620	0	0	1,620
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 183 from Berks County Line to PA 443.					
Road Overlay	State	513	0	15	528
RESURFACE ROAD: This project will provide for the mill repair and overlay of SR 4027 from 4026 to PA 54.					
Road Overlay	State	1,370	0	0	1,370
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 443 from Lebanon County Line to Gerry Wolfe Road.					
Road Overlay	State	1,265	0	0	1,265
RESURFACE ROAD: This project will provide for the mill repair and overlay of PA 54 from Beech Street to Vine Street.					
Road Enhancement	State	10,415	0	0	10,415
SAFETY IMPROVEMENTS: This project will provide for improvements to I-81 including ramps from Frackville to Mahanoy City.					
<u>YORK COUNTY</u>					
Road Overlay	State	2,352	0	0	2,352
RESURFACE ROAD: This project will provide for the mill repair and overlay of Lewisberry Road from Siddonsburg Road to Sipe Road.					
Road Overlay	State	4,010	0	0	4,010
RESURFACE ROAD: This project will provide for the mill repair and overlay of Delta Road from Main Street Extension to South Main Street.					
Road Enhancement	State	25	0	101	126
SAFETY IMPROVEMENTS: This project will provide for interchange improvements of I-83 exit 4 with PA 851 (Forrest Avenue).					
	Federal	8,417	0	764	9,181
TOTAL STATE FUNDS.....					
		\$ 236,784	\$ 18,653	\$ 8,249	\$ 263,686
TOTAL FEDERAL FUNDS.....					
		66,834	1,989	4,149	72,972
TOTAL LOCAL FUNDS.....					
		3,012	250	849	4,111
PROGRAM TOTAL.....					
		<u>\$ 306,630</u>	<u>\$ 20,892</u>	<u>\$ 13,247</u>	<u>\$ 340,769</u>

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Bridge

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)					
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost	
<u>ARMSTRONG COUNTY</u>					
Rehabilitate SR 0056 Bridge BK 2983	State	\$ 1,815	\$ 248	\$ 476	\$ 2,539
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Sugar Hollow Run in Apollo Borough.	Federal	0	0	256	256
<u>CAMERON COUNTY</u>					
Rehabilitate SR 4004 Bridge BK 8942	State	1,250	100	600	1,950
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over the Driftwood Branch in Shippen Township.					
<u>CENTRE COUNTY</u>					
Rehabilitate SR 2007 Bridge BK 9632	State	750	100	500	1,350
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Spruce Creek in Gregg Township.					
Rehabilitate SR 2011 Bridge BK 9655	State	300	100	200	600
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Mill Race in Millheim Borough.					
Rehabilitate SR 2011 Bridge BK 9646	State	1,500	100	550	2,150
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Penns Creek in Penn Township.					
Rehabilitate SR 3025 Bridge BK 9750	State	350	50	220	620
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Bell Hollow Tributary in Taylor Township.					
<u>CLARION COUNTY</u>					
Rehabilitate SR 3006 Bridge BK 11066	State	920	0	81	1,001
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Catfish Run in Madison Township.	Federal	0	0	322	322
Rehabilitate SR 4005 Bridge BK 11082	State	290	40	52	382
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Canoe Creek Tributary in Beaver Township.					
<u>CLEARFIELD COUNTY</u>					
Rehabilitate T-410 Bridge BK 11497	State	500	0	0	500
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Stump Creek in Brady Township.					
Rehabilitate T-729 Bridge BK 11521	State	300	60	200	560
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Little Muddy Run in Gulich Township.					
<u>CLINTON COUNTY</u>					
Rehabilitate T-349 Bridge BK 12311	State	300	60	200	560
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Bucks Run in Greene Township.					
Rehabilitate SR 2008 Bridge BK 12327	State	2,500	100	500	3,100
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Fishing Creek in Lamar Township.					

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Bridge

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>CRAWFORD COUNTY</u>					
Rehabilitate T-79 Bridge BK 12985	State	\$ 1,120	\$ 0	\$ 69	\$ 1,189
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Conneuat Swamp in Greenwood Township.	Federal	4,482	0	275	4,757
Rehabilitate T-79 Bridge BK 12986	State	1,121	0	68	1,189
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Conneuat Swamp in Greenwood Township.	Federal	4,482	0	275	4,757
<u>ELK COUNTY</u>					
Rehabilitate SR 4001 Bridge BK 15714	State	300	0	275	575
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Alysworth Run in Ridgeway Township.					
<u>ERIE COUNTY</u>					
Rehabilitate T-832 Bridge BK 47539	State	0	0	2	2
REHABILITATE BRIDGE: This project will provide for the rehabilitation of a bridge over Walnut Creek in Millcreek Township.	Federal	93	0	2	95
<u>JEFFERSON COUNTY</u>					
Rehabilitate SR 0028 Bridge BK 19543	State	600	105	188	893
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Thompson Run in Rose Township.	Federal	2,400	420	752	3,572
<u>JUNIATA COUNTY</u>					
Rehabilitate TR-35 Bridge BK 19991	State	500	100	300	900
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Lost Creek Tributary in Fayette Township.					
Rehabilitate TR-75 Bridge BK 20022	State	300	100	200	600
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Tuscarora Creek in Tuscarora Township.					
<u>LACKAWANNA COUNTY</u>					
Rehabilitate SR 6011 Bridge BK 20845	State	1,120	10	173	1,303
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Lackawanna River in Scranton City.	Federal	4,480	40	690	5,210
<u>LEHIGH COUNTY</u>					
Rehabilitate SR 145 Bridge BK 23107	State	195	0	0	195
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 309 northbound in Upper Saucon Township.					
Rehabilitate SR 1017 Bridge BK 23245	State	455	0	0	455
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Jordan Creek in South Whitehall Township.					
<u>LUZERNE COUNTY</u>					
Rehabilitate SR 30981 Bridge	State	1,150	60	575	1,785
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Laurel Run Creek in Plains Township.					

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Bridge

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>MERCER COUNTY</u>					
Rehabilitate TR-60 Bridge BK 25981	State	\$ 1,000	\$ 100	\$ 250	\$ 1,350
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Shenango River in City of Hermitage.					
<u>MIFFLIN COUNTY</u>					
Rehabilitate TR-22 Bridge BK 26364	State	400	100	200	700
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Juniata River Tributary in Oliver Township.					
Rehabilitate TR-22 Bridge BK 26355	State	500	100	200	800
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Long Hollow Run in Wayne Township.					
Rehabilitate SR-2008 Bridge BK 26542	State	1,000	100	500	1,600
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Jacks Creek in Decatur Township.					
<u>NORTHAMPTON COUNTY</u>					
Rehabilitate TR-22 Bridge BK 28473	State	455	0	0	455
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 512 in Hanover Township.					
Rehabilitate TR-22 Bridge BK 28476	State	130	0	0	130
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Norfolk Southern RR in Bethlehem Township.					
Rehabilitate TR-22 Bridge BK 28488	State	65	0	0	65
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 2019 in Easton City.					
Rehabilitate TR-33 Bridge BK 41393	State	130	0	0	130
REPLACE BRIDGE: This project will provide for the replacement of a bridge over River Canal North/South RR in Easton City.					
Rehabilitate TR-78 Bridge BK 28549	State	260	0	0	260
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 2012 in Williams Township.					
Rehabilitate SR 611 Bridge BK 26364	State	195	0	0	195
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Slate Ford Creek in Upper Mt Bethel Township.					
Rehabilitate Bridge BK 28723	State	640	0	0	640
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Lehigh River, Streets, RR in Glendon Boro.					
Rehabilitate SR 2017 Bridge BK 28729	State	1,365	0	0	1,365
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 22 in Easton City.					

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Bridge

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>NORTHAMPTON COUNTY (continued)</u>					
Rehabilitate SR 2028 Bridge BK 28743	State	\$ 130	\$ 0	\$ 0	\$ 130
REPLACE BRIDGE: This project will provide for the replacement of a bridge over SR 33 in Bethlehem Township.					
Rehabilitate SR 3003 Bridge BK 28752	State	390	0	0	390
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Black River in Lower Saucon Township.					
Rehabilitate SR 3007 Bridge BK 28760	State	650	0	0	650
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Nancy Run in Bethlehem Township.					
Rehabilitate SR 3011 Bridge BK 28762	State	715	0	0	715
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Monocacy Creek in Bethlehem City.					
Rehabilitate SR 3020 Bridge BK 28769	State	130	0	0	130
REPLACE BRIDGE: This project will provide for the replacement of a bridge over East Branch Monocacy Creek in Upper Nazareth Township.					
Rehabilitate SR 3020 Bridge BK 28770	State	260	0	0	260
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Monocacy Creek Tributary in Lower Nazareth Township.					
<u>POTTER COUNTY</u>					
Rehabilitate SR 449 Bridge BK 30238	State	500	45	200	745
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Pine Creek in Ulysses Township.					
Rehabilitate SR 1019 Bridge BK 30333	State	250	0	0	250
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Cowanesque River North Branch in Harrison Township.					
<u>VENANGO COUNTY</u>					
Rehabilitate SR 2015 Bridge BK 33790	State	250	50	135	435
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Halls Run in Cranberry Township.					
<u>WAYNE COUNTY</u>					
Rehabilitate SR 0371 Bridge BK 35534	State	400	0	40	440
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Delaware River in Damascus Township.	Federal	1,600	0	160	1,760
	Local	2,000	0	200	2,200
Rehabilitate SR 1018 Bridge BK 35626	State	4,730	0	300	5,030
REPLACE BRIDGE: This project will provide for the replacement of a bridge over Delaware River in Manchester Township.					

Department of Transportation 2016-17 Projects

PUBLIC IMPROVEMENT PROJECTS

FROM MOTOR LICENSE FUNDS

Program: State Highway and Bridge Maintenance - Bridge

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
WAYNE COUNTY (continued)					
Rehabilitate SR 1020 Bridge BK 35628	State	\$ 545	\$ 0	\$ 61	\$ 606
REPLACE BRIDGE: This project will provide for the	Federal	2,182	0	242	2,424
replacement of a bridge over Delaware River in Damascus Township.	Local	2,727	0	303	3,030
YORK COUNTY					
Rehabilitate SR 83 Bridge BK 37407	State	50	194	200	444
REPLACE BRIDGE: This project will provide for the	Federal	16,580	776	1,504	18,860
replacement of a bridge over SR 851 in Shrewsbury Township.					
TOTAL STATE FUNDS.....		\$ 32,776	\$ 2,022	\$ 7,515	\$ 42,313
TOTAL FEDERAL FUNDS.....		36,299	1,236	4,478	42,013
TOTAL LOCAL FUNDS.....		4,727	0	503	5,230
PROGRAM TOTAL.....		<u>\$ 73,802</u>	<u>\$ 3,258</u>	<u>\$ 12,496</u>	<u>\$ 89,556</u>

Department of Transportation 2016-17 Projects

TRANSPORTATION ASSISTANCE PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Urban Mass Transportation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ALLEGHENY COUNTY					
Port Authority of Allegheny County	State	\$ 4,251	\$ 0	\$ 472	\$ 4,723
STATE OF GOOD REPAIR PROGRAM: This program provides for the replacement/rehabilitation of major components within the Port Authority's rail and busway system to ensure safety and reliability.	Federal	17,568	0	1,952	19,520
	Local	141	0	16	157
Port Authority of Allegheny County	State	1,255	0	139	1,394
BUS AND BUS FACILITIES PROGRAM: This program provides for the replacement/rehabilitation of major components within the Port Authority's rail and busway system to ensure safety and reliability to bring them to a state of good repair.	Federal	5,184	0	576	5,760
	Local	41	0	5	46
Port Authority of Allegheny County	State	7,665	0	851	8,516
BLOCK GRANT FORMULA PROGRAM: This program provides for the State funding will match Federal and Local Funds for PAAC's Section 5307 Urbanized Area Apportionment.	Federal	31,680	0	3,520	35,200
	Local	255	0	28	283
Port Authority of Allegheny County	State	4,289	0	477	4,766
SECTION 5307 FLEX FUNDS: This program provides for the state funds to match federal flex funds to fund replacement buses annually.	Federal	17,731	0	1,970	19,701
	Local	143	0	16	159
Port Authority of Allegheny County	State	13,064	0	1,452	14,516
SAFETY RENEWAL PROGRAM: This program provides for PAAC's Infrastructure Safety Renewal Program which includes capital improvements to stations, signals, track, power, and buildings.	Local	436	0	48	484
Port Authority of Allegheny County	State	13,064	0	1,452	14,516
VEHICLE OVERHAUL PROGRAM: This program provides for PAAC's Infrastructure Safety Renewal Program which includes capital improvements to stations, signals, track, power, and buildings.	Local	436	0	48	484
Port Authority of Allegheny County	State	5,226	0	581	5,807
EAST BUSWAY EXPANSION PROGRAM: This program provides for PAAC's Bus System Expansion to include new routes and territories.	Local	175	0	19	194
Port Authority of Allegheny County	State	65,323	0	7,258	72,581
NEW OPERATING FACILITY: This will provide for the bus operation facility expansion to meet future needs of PAAC.	Local	2,177	0	242	2,419
PHILADELPHIA COUNTY					
Southeastern Pennsylvania Transportation Authority	State	22,500	0	2,500	25,000
FORMULA PROJECTS PROGRAM: This program will provide for the state funds to match discretionary federal funding to replace existing assets.	Federal	92,999	0	10,333	103,332
	Local	750	0	83	833
Southeastern Pennsylvania Transportation Authority	State	22,950	0	2,550	25,500
STATE OF GOOD REPAIR PROGRAM: This program will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.	Federal	94,859	0	10,540	105,399
	Local	764	0	85	849

Department of Transportation 2016-17 Projects

TRANSPORTATION ASSISTANCE PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Urban Mass Transportation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
Southeastern Pennsylvania Transportation Authority	State	\$ 1,800	\$ 0	\$ 200	\$ 2,000
BUS AND BUS FACILITIES PROGRAM: This program will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.	Federal	7,440	0	826	8,266
	Local	59	0	7	66
Southeastern Pennsylvania Transportation Authority	State	4,500	0	500	5,000
BUS PURCHASE FLEX PROGRAM: This program will provide for the state funds to match federal capital funding to replace buses and rehabilitate or replace various facilities and infrastructure to bring them to a state of good repair.	Federal	18,600	0	2,066	20,666
	Local	149	0	17	166
Southeastern Pennsylvania Transportation Authority	State	4,500	0	500	5,000
FEDERAL GRANT PROGRAM: This program will provide for the state funds to match discretionary federal capital funding to rehabilitate or replace existing facilities and infrastructure.	Federal	18,600	0	2,066	20,666
	Local	149	0	17	166
Southeastern Pennsylvania Transportation Authority	State	38,250	0	4,250	42,500
SAFETY RENEWAL PROGRAM: This program provides for SEPTA's Infrastructure Safety Renewal Program which includes capital improvements to stations, signals, track, power, and buildings.	Local	1,274	0	142	1,416
Southeastern Pennsylvania Transportation Authority	State	13,500	0	1,500	15,000
STATE OF GOOD REPAIR PROGRAM: This program will provide for state funds to rehabilitate or replace existing facilities and infrastructure to bring them to a state of good repair.	Local	450	0	50	500
Southeastern Pennsylvania Transportation Authority	State	22,500	0	2,500	25,000
SYSTEM IMPROVEMENT PROGRAM: This program will provide for state funds to improve transit service in Southeastern Pennsylvania.	Local	750	0	83	833
TOTAL STATE FUNDS.....		\$ 244,637	\$ 0	\$ 27,182	\$ 271,819
TOTAL FEDERAL FUNDS.....		304,661	0	33,849	338,510
TOTAL LOCAL FUNDS.....		8,149	0	906	9,055
PROGRAM TOTAL.....		<u>\$ 557,447</u>	<u>\$ 0</u>	<u>\$ 61,937</u>	<u>\$ 619,384</u>

Department of Transportation 2016-17 Projects

TRANSPORTATION ASSISTANCE PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Rail Freight Transportation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>VARIOUS COUNTIES</u>					
All Counties	State	\$ 6,400	\$ 0	\$ 1,600	\$ 8,000
INFRASTRUCTURE IMPROVEMENTS: This project will provide for the State funding to promote economic development through freight or passenger rail service.					
PROGRAM TOTAL.....		<u>\$ 6,400</u>	<u>\$ 0</u>	<u>\$ 1,600</u>	<u>\$ 8,000</u>

Department of Transportation 2016-17 Projects

TRANSPORTATION ASSISTANCE PROJECTS

FROM CAPITAL FACILITIES BOND FUNDS

Program: Air Transportation

This section provides a brief description of each recommended project, its location and cost components. Unless otherwise noted, these nonrecurring capital investments will not affect the agency's current or future operating budgets nor affect the services provided by the agency.

(Dollar Amounts in Thousands)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
<u>DAUPHIN COUNTY</u>					
Bureau of Aviation	State	\$ 1,500	\$ 0	\$ 0	\$ 1,500
INFRASTRUCTURE IMPROVEMENTS: This project will provide for the safety upgrades to Bureau of Aviation Equipment to meet FAA code compliance.					
PROGRAM TOTAL.....		<u>\$ 1,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,500</u>

FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS

State Funds

This table provides a summary of the estimated level of future authorizations by department from bond funds and current revenue sources.

(Dollar Amounts in Thousands)

	2017-18	2018-19	2019-20	2020-21
Agriculture.....	\$ 43,350	\$ 55,800	\$ 55,800	\$ 55,800
Conservation and Natural Resources.....	89,265	114,465	90,465	79,715
Corrections and Rehabilitation.....	29,240	21,170	21,170	21,170
Education.....	457,800	353,400	296,200	325,560
Environmental Protection.....	20,999	25,862	28,305	23,450
General Services.....	36,750	68,700	68,700	68,700
Historical and Museum Commission.....	24,580	36,000	23,975	45,720
Human Services.....	48,240	46,020	34,440	34,440
Military and Veterans Affairs.....	38,974	47,937	47,937	47,937
State Police.....	26,790	28,500	28,500	28,500
Transportation.....	673,580	745,262	765,000	785,000
TOTAL.....	\$ 1,489,568	\$ 1,543,116	\$ 1,460,492	\$ 1,515,992

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 2017-18 through 2020-21. 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)

FROM CAPITAL FACILITIES BOND FUNDS

Agriculture

PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the laboratory.

2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
\$ 43,350	\$ 55,800	\$ 55,800	\$ 55,800

Conservation and Natural Resources

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.

53,800 79,000 55,000 44,250

Corrections and Rehabilitation

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.

29,240 21,170 21,170 21,170

Education

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.

457,800 353,400 296,200 325,560

Emergency Management Agency

PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovations at the State Fire Academy, Emergency Operations Centers around the state and other emergency facilities.

0 0 0 0

Environmental Protection

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.

20,999 25,862 28,305 23,450

Environmental Protection

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.

0 0 0 0

General Services

PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation and improvements to state office buildings and facilities.

36,750 68,700 68,700 68,700

Historical and Museum Commission

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.

24,580 36,000 23,975 45,720

Capital Budget

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)

Human Services

PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the state institutions for the mentally ill and intellectually disabled, restoration centers and youth development centers. Also may include original furniture and equipment authorizations.

2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
\$ 48,240	\$ 46,020	\$ 34,440	\$ 34,440

Military and Veterans Affairs

PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement at the state armories and veterans' homes. Also may include original furniture and equipment authorizations.

38,974	47,937	47,937	47,937
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State Police

PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. Also may include original furniture and equipment authorizations.

26,790	28,500	28,500	28,500
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Transportation

PUBLIC IMPROVEMENT PROJECTS: Provides for construction of and additions to highway maintenance and district office buildings, driver examination facilities, welcome centers and state-owned airport facilities. Also may include original furniture and equipment authorizations.

68,580	140,262	160,000	180,000
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Transportation

TRANSPORTATION ASSISTANCE PROJECTS: Provides for the purchase/rehabilitation of rolling stock and equipment and for construction/renovation of facilities operated by local mass transportation agencies. Also includes the purchase and improvement of rail lines.

175,000	175,000	175,000	175,000
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CAPITAL FACILITIES BOND FUNDS

Total — Public Improvement Program.....	
Total — Transportation Assistance Program.....	
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....	

\$ 849,103	\$ 902,651	\$ 820,027	\$ 875,527
175,000	175,000	175,000	175,000
\$ 1,024,103	\$ 1,077,651	\$ 995,027	\$ 1,050,527

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CURRENT REVENUES

Conservation and Natural Resources

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.

2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
\$ 34,465	\$ 34,465	\$ 34,465	\$ 34,465

Conservation and Natural Resources

PUBLIC IMPROVEMENT PROJECTS — ENVIRONMENTAL STEWARDSHIP FUND: Provides for the acquisition, rehabilitation and development of open space, forests, parks and scenic environments.

1,000	1,000	1,000	1,000
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Transportation

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.

430,000	430,000	430,000	430,000
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CURRENT REVENUES

Total – Public Improvement Program.....	\$ 35,465	\$ 35,465	\$ 35,465	\$ 35,465
Total – Highway Program.....	430,000	430,000	430,000	430,000
SUBTOTAL – CURRENT REVENUES.....	\$ 465,465	\$ 465,465	\$ 465,465	\$ 465,465
TOTAL – ALL PROGRAMS.....	<u>\$ 1,489,568</u>	<u>\$ 1,543,116</u>	<u>\$ 1,460,492</u>	<u>\$ 1,515,992</u>

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	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
Executive Offices.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Agriculture.....	710	617	4,833	12,490	20,733
Conservation and Natural Resources.....	51,209	53,825	75,573	94,573	113,347
Community and Economic Development.....	384,662	454,777	346,525	347,719	194,587
Corrections and Rehabilitation.....	129,483	48,731	65,386	68,613	60,643
Education.....	220,733	234,471	254,417	239,751	224,297
Emergency Management Agency.....	899	1,280	2,608	2,841	1,953
Environmental Protection.....	9,602	16,407	21,123	22,229	24,488
Fish and Boat Commission.....	5,858	3,369	4,997	3,483	2,394
Game Commission.....	19	27	55	60	41
General Services.....	33,374	38,253	54,197	60,832	53,617
Historical and Museum Commission.....	4,670	5,997	10,517	14,317	15,314
Human Services.....	5,563	10,430	18,069	23,738	28,310
Military and Veterans Affairs.....	10,813	13,096	23,648	29,513	31,578
State Police.....	5,611	26,434	37,506	36,718	40,672
Transportation.....	626,517	701,759	812,752	941,323	1,078,980
TOTAL - ALL STATE FUNDS.....	\$ 1,489,723	\$ 1,609,472	\$ 1,732,206	\$ 1,898,200	\$ 1,890,954

Capital Budget

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)

	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
CAPITAL FACILITIES BOND FUNDS					
Executive Offices					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EXECUTIVE OFFICES.....	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 710	\$ 183	\$ 373	\$ 407	\$ 280
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	434	4,460	12,083	20,453
Furniture and Equipment.....	0	0	0	0	0
TOTAL - AGRICULTURE.....	<u>\$ 710</u>	<u>\$ 617</u>	<u>\$ 4,833</u>	<u>\$ 12,490</u>	<u>\$ 20,733</u>
Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 23,861	\$ 7,635	\$ 11,266	\$ 10,525	\$ 5,340
Furniture and Equipment.....	136	541	180	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	1,630	14,670	24,450	24,450	24,450
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	893	9,179	24,597	39,499
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	<u>\$ 25,627</u>	<u>\$ 23,739</u>	<u>\$ 45,075</u>	<u>\$ 59,572</u>	<u>\$ 69,289</u>
Community and Economic Development					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 49,662	\$ 57,777	\$ 46,525	\$ 47,719	\$ 29,587
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	<u>\$ 49,662</u>	<u>\$ 57,777</u>	<u>\$ 46,525</u>	<u>\$ 47,719</u>	<u>\$ 29,587</u>

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2016-17 Estimated</u>	<u>2017-18 Estimated</u>	<u>2018-19 Estimated</u>	<u>2019-20 Estimated</u>	<u>2020-21 Estimated</u>
Community and Economic Development (continued)					
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	\$ 335,000	\$ 397,000	\$ 300,000	\$ 300,000	\$ 165,000
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....	<u>\$ 384,662</u>	<u>\$ 454,777</u>	<u>\$ 346,525</u>	<u>\$ 347,719</u>	<u>\$ 194,587</u>
Corrections and Rehabilitation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 127,223	\$ 28,338	\$ 29,078	\$ 28,656	\$ 17,510
Furniture and Equipment.....	30	29	10	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	2,230	20,072	33,454	33,454	33,454
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	292	2,844	6,503	9,679
Furniture and Equipment.....	0	0	0	0	0
TOTAL - CORRECTIONS AND REHABILITATION.....	<u>\$ 129,483</u>	<u>\$ 48,731</u>	<u>\$ 65,386</u>	<u>\$ 68,613</u>	<u>\$ 60,643</u>
Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 215,480	\$ 205,549	\$ 188,727	\$ 120,263	\$ 56,653
Furniture and Equipment.....	4,183	14,714	4,904	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	1,070	9,630	16,050	16,050	16,050
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	4,578	44,736	103,438	151,594
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EDUCATION.....	<u>\$ 220,733</u>	<u>\$ 234,471</u>	<u>\$ 254,417</u>	<u>\$ 239,751</u>	<u>\$ 224,297</u>
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 899	\$ 1,280	\$ 2,608	\$ 2,841	\$ 1,953
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - EMERGENCY MANAGEMENT AND HOMELAND SECURITY.....	<u>\$ 899</u>	<u>\$ 1,280</u>	<u>\$ 2,608</u>	<u>\$ 2,841</u>	<u>\$ 1,953</u>

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2016-17 Estimated</u>	<u>2017-18 Estimated</u>	<u>2018-19 Estimated</u>	<u>2019-20 Estimated</u>	<u>2020-21 Estimated</u>
Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 6,697	\$ 9,960	\$ 11,596	\$ 9,090	\$ 2,406
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	190	1,712	2,853	2,853	10,461
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	210	2,149	5,761	9,811
Furniture and Equipment.....	0	0	0	0	0
Subtotal	<u>\$ 6,887</u>	<u>\$ 11,882</u>	<u>\$ 16,598</u>	<u>\$ 17,704</u>	<u>\$ 22,678</u>
Flood Control Projects					
Projects Currently Authorized					
Structures and Improvements.....	\$ 2,715	\$ 4,525	\$ 4,525	\$ 4,525	\$ 1,810
Projects in 2016-17 Budget					
Structures and Improvements.....	0	0	0	0	0
Future Projects (2017-21)					
Structures and Improvements.....	0	0	0	0	0
Subtotal	<u>\$ 2,715</u>	<u>\$ 4,525</u>	<u>\$ 4,525</u>	<u>\$ 4,525</u>	<u>\$ 1,810</u>
TOTAL - ENVIRONMENTAL PROTECTION.....	<u>\$ 9,602</u>	<u>\$ 16,407</u>	<u>\$ 21,123</u>	<u>\$ 22,229</u>	<u>\$ 24,488</u>
Fish and Boat Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 5,858	\$ 3,369	\$ 4,997	\$ 3,483	\$ 2,394
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - FISH AND BOAT COMMISSION.....	<u>\$ 5,858</u>	<u>\$ 3,369</u>	<u>\$ 4,997</u>	<u>\$ 3,483</u>	<u>\$ 2,394</u>
Game Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 19	\$ 27	\$ 55	\$ 60	\$ 41
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	0	0	0	0
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GAME COMMISSION.....	<u>\$ 19</u>	<u>\$ 27</u>	<u>\$ 55</u>	<u>\$ 60</u>	<u>\$ 41</u>

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	2016-17 Estimated	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 32,916	\$ 29,734	\$ 42,031	\$ 41,631	\$ 24,111
Furniture and Equipment.....	3	4,060	1,353	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	455	4,091	6,818	6,818	6,818
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	368	3,995	12,383	22,688
Furniture and Equipment.....	0	0	0	0	0
TOTAL - GENERAL SERVICES.....	<u>\$ 33,374</u>	<u>\$ 38,253</u>	<u>\$ 54,197</u>	<u>\$ 60,832</u>	<u>\$ 53,617</u>
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 4,622	\$ 5,229	\$ 7,195	\$ 6,430	\$ 2,892
Furniture and Equipment.....	0	90	30	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	48	432	720	720	720
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	246	2,572	7,167	11,702
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HISTORICAL AND MUSEUM	<u>\$ 4,670</u>	<u>\$ 5,997</u>	<u>\$ 10,517</u>	<u>\$ 14,317</u>	<u>\$ 15,314</u>
Human Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 2,630	\$ 3,877	\$ 5,202	\$ 4,567	\$ 1,948
Furniture and Equipment.....	2,364	1,044	348	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	569	5,119	8,532	8,532	8,532
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	390	3,987	10,639	17,830
Furniture and Equipment.....	0	0	0	0	0
TOTAL - HUMAN SERVICES.....	<u>\$ 5,563</u>	<u>\$ 10,430</u>	<u>\$ 18,069</u>	<u>\$ 23,738</u>	<u>\$ 28,310</u>
Military and Veterans Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 10,050	\$ 5,626	\$ 7,358	\$ 6,343	\$ 2,547
Furniture and Equipment.....	0	119	40	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	763	6,869	11,448	11,448	11,448
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	482	4,802	11,722	17,583
Furniture and Equipment.....	0	0	0	0	0
TOTAL - MILITARY AND VETERANS AFFAIRS.....	<u>\$ 10,813</u>	<u>\$ 13,096</u>	<u>\$ 23,648</u>	<u>\$ 29,513</u>	<u>\$ 31,578</u>

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2016-17 Estimated</u>	<u>2017-18 Estimated</u>	<u>2018-19 Estimated</u>	<u>2019-20 Estimated</u>	<u>2020-21 Estimated</u>
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 3,689	\$ 8,872	\$ 5,987	\$ 1,026	\$ 705
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	1,922	17,294	28,823	28,823	28,823
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	268	2,696	6,869	11,144
Furniture and Equipment.....	0	0	0	0	0
TOTAL - STATE POLICE	\$ 5,611	\$ 26,434	\$ 37,506	\$ 36,718	\$ 40,672
Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 6,456	\$ 9,597	\$ 11,279	\$ 8,917	\$ 2,475
Furniture and Equipment.....	0	0	0	0	0
Projects in 2016-17 Budget					
Buildings and Structures.....	9,000	81,000	135,000	135,000	135,000
Furniture and Equipment.....	0	0	0	0	0
Future Projects (2017-21)					
Buildings and Structures.....	0	6,736	68,075	175,761	289,526
Furniture and Equipment.....	0	0	0	0	0
Subtotal.....	\$ 15,456	\$ 97,333	\$ 214,354	\$ 319,678	\$ 427,001
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	\$ 175,000	\$ 145,000	\$ 112,500	\$ 71,250	\$ 66,250
Projects in 2016-17 Budget					
Mass Transit, Rail and Air.....	0	28,000	42,000	56,000	28,000
Future Projects (2017-21)					
Mass Transit, Rail and Air.....	0	0	17,500	43,750	78,750
Subtotal.....	\$ 175,000	\$ 173,000	\$ 172,000	\$ 171,000	\$ 173,000
TOTAL - TRANSPORTATION.....	\$ 190,456	\$ 270,333	\$ 386,354	\$ 490,678	\$ 600,001
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures.....	\$ 508,648	\$ 552,838	\$ 791,920	\$ 937,029	\$ 1,028,107
Furniture and Equipment.....	6,716	20,597	6,865	0	0
Redevelopment Assistance Projects					
Acquisition and Construction.....	335,000	397,000	300,000	300,000	165,000
Flood Control Projects					
Structures and Improvements.....	2,715	4,525	4,525	4,525	1,810
Transportation Assistance Projects.....					
Mass Transit, Rail and Air.....	175,000	173,000	172,000	171,000	173,000
TOTAL.....	\$ 1,028,080	\$ 1,147,961	\$ 1,275,310	\$ 1,412,554	\$ 1,367,918

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	<u>2016-17 Estimated</u>	<u>2017-18 Estimated</u>	<u>2018-19 Estimated</u>	<u>2019-20 Estimated</u>	<u>2020-21 Estimated</u>
CURRENT REVENUES					
KEYSTONE RECREATION, PARK AND CONSERVATION FUND					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition,					
Projects Currently Authorized.....	\$ 17,677	\$ 11,432	\$ 4,539	\$ 0	\$ 0
Projects in 2016-17 Budget	0	3,447	5,170	6,893	7,755
Future Projects (2017-21)	0	3,447	8,616	15,509	23,264
Subtotal.....	<u>\$ 17,677</u>	<u>\$ 18,325</u>	<u>\$ 18,325</u>	<u>\$ 22,402</u>	<u>\$ 31,019</u>
ENVIRONMENTAL STEWARDSHIP FUND					
Conservation and Natural Resources					
Environmental Stewardship Projects - Acquisition, Rehabilitation and Development					
Projects Currently Authorized.....	\$ 7,905	\$ 11,611	\$ 11,823	\$ 12,099	\$ 12,540
Projects in 2016-17 Budget	0	50	50	50	50
Future Projects (2017-21)	0	100	300	450	450
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>\$ 25,582</u>	<u>\$ 30,086</u>	<u>\$ 30,498</u>	<u>\$ 35,001</u>	<u>\$ 44,058</u>
MOTOR LICENSE FUND					
Transportation					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 430,324	\$ 400,468	\$ 401,163	\$ 401,866	\$ 401,001
Projects in 2016-17 Budget	5,737	22,949	17,212	28,686	45,898
Future Projects (2016-20)	0	8,009	8,023	20,093	32,080
TOTAL - TRANSPORTATION.....	<u>\$ 436,061</u>	<u>\$ 431,426</u>	<u>\$ 426,398</u>	<u>\$ 450,645</u>	<u>\$ 478,979</u>
TOTAL - CURRENT REVENUES					
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund.....	\$ 17,677	\$ 18,325	\$ 18,325	\$ 22,402	\$ 31,019
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	436,061	431,426	426,398	450,645	478,979
TOTAL - CURRENT REVENUES.....	<u>\$ 461,643</u>	<u>\$ 461,512</u>	<u>\$ 456,896</u>	<u>\$ 485,646</u>	<u>\$ 523,037</u>
TOTAL - ALL STATE FUNDS.....	<u>\$ 1,489,723</u>	<u>\$ 1,609,472</u>	<u>\$ 1,732,206</u>	<u>\$ 1,898,200</u>	<u>\$ 1,890,954</u>

Totals may not add due to rounding.

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Commonwealth of Pennsylvania

Governor's Executive Budget

PUBLIC DEBT

This section presents data on the debt obligations of the commonwealth. Debt financing is used by the commonwealth to finance its capital programs, finance voter-approved bond referendums, and fund certain disaster relief programs. Most long-term financing by the commonwealth is provided by the issuance of general obligation debt. Appropriation-backed debt has been used in limited instances for capital purposes. Data on such debt is included in this presentation only in the calculation of the debt ratios shown.

The Commonwealth Constitution permits debt to be issued for (i) capital projects in approved capital budgets; (ii) purposes approved by voter referendum; and (iii) response to disasters. The following items are guidelines the commonwealth follows in executing its capital and other debt financing activities:

- Referenda to authorize additional debt should be submitted to the voters only for critical needs when sufficient other resources are not available.
- The general obligation pledge of the commonwealth is the preferred source of security for commonwealth debt.
- A moral obligation pledge of the commonwealth should not be given beyond those already given.
- Revenue pledges are to be used only by independent agencies and authorities that cannot pledge the commonwealth's general obligation.
- Lease revenue debt should be used only when budgetary restraints prohibit current revenue funding for assets that are infrequently obtained and do not meet capital project definitions.
- Debt should be structured to mature within the useful life of the projects being financed.
- All long-term financing should be sold by competitive bid.
- Short-term borrowing should not comprise a majority of outstanding debt.
- Debt service paid by the General Fund should not exceed five percent of revenues.
- Capital projects addressing health, safety and public protection receive top priority for activation. New construction projects have the lowest priority.
- Highway capital projects should be funded from current revenues of the Motor License Fund.

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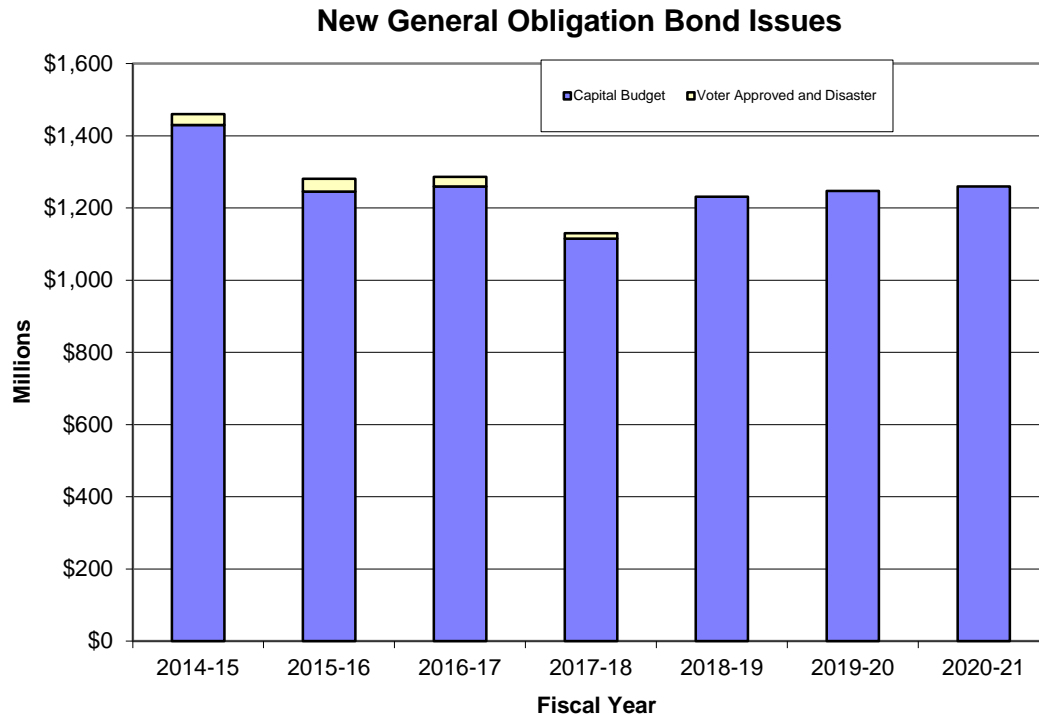
DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the commonwealth as of December 31, 2015. Issues for which all authorized debt has been previously issued and for which said debt has been completely redeemed are not included. The Constitution permits capital budget debt to be issued without voter approval but subject to a debt limit. Except for debt issued for disaster recovery purposes, all other debt requires voter approval.

	(Dollar Amounts in Thousands)		
	Total Debt Authorized	Original Debt Issued	Debt Outstanding
Debt Subject to Constitutional Limit			
Capital Budget.....	\$ 139,176,328	\$ 24,645,955	\$ 7,895,364
Capital Budget Refunding Bonds Outstanding.....	NA	NA	2,551,600
Less: Capital Debt Fund Balance.....	NA	NA	-4,080
Subtotal.....	<u>\$ 139,176,328</u>	<u>\$ 24,645,955</u>	<u>\$ 10,442,884</u>
 Debt Not Subject to Constitutional Limit - Voter Approved and Disaster			
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	300,000	0
PENNVEST- 1988 & 1992 Referenda.....	650,000	634,000	160,280
PENNVEST- 2008 Referendum.....	400,000	364,400	333,315
Agricultural Conservation Easement.....	100,000	100,000	0
Local Criminal Justice.....	200,000	197,000	740
Nursing Home Loans.....	100,000	69,000	0
Keystone Recreation, Park and Conservation.....	50,000	50,000	0
Water Supply and Wastewater Infrastructure.....	250,000	241,275	104,055
Growing Greener.....	625,000	599,000	298,860
Persian Gulf Conflict Veterans' Compensation.....	20,000	7,000	3,245
Refunding Bonds Outstanding.....	NA	NA	290,965
Less: Non-capital Sinking Fund Balances.....	NA	NA	-1,836
Subtotal.....	<u>\$ 3,852,708</u>	<u>\$ 3,546,175</u>	<u>\$ 1,189,624</u>
TOTAL.....	<u>\$ 143,029,036</u>	<u>\$ 28,192,130</u>	<u>\$ 11,632,508</u>

GENERAL OBLIGATION BOND ISSUES 2014-15 Through 2020-21

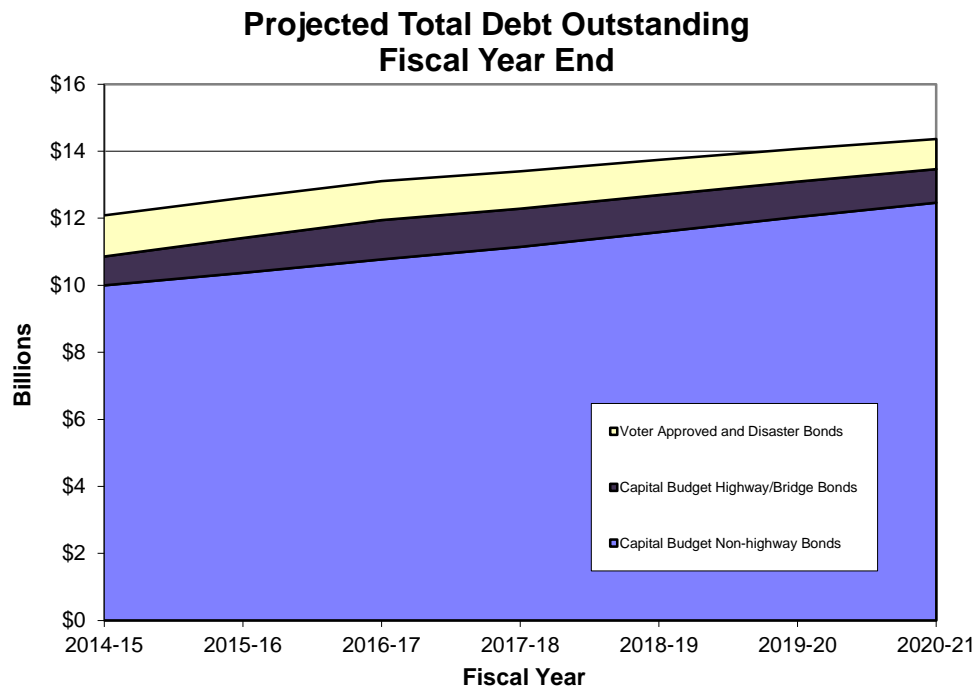
This table shows the projected amount of general obligation bonds of the commonwealth to be issued during the prior and current fiscal year and the subsequent five fiscal years based on current projects. Refunding bonds are not included in the data.



	(Dollar Amounts in Thousands)						
	2014-15 Actual	2015-16 Estimated	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
General Obligation Bond Issues							
Capital Budget							
Buildings and Structures.....	\$ 725,000	\$ 750,000	\$ 765,000	\$ 780,000	\$ 796,000	\$ 812,000	\$ 825,000
Flood Control.....	0	0	0	0	0	0	0
Furnishings and Equipment.....	50,000	0	10,000	10,000	10,000	10,000	10,000
Redevelopment Assistance.....	335,000	125,000	150,000	150,000	250,000	250,000	250,000
Transportation Assistance.....	175,000	175,000	175,000	175,000	175,000	175,000	175,000
ACT 89 Highway Projects.....	145,000	195,000	160,000	0	0	0	0
Bridge Projects.....	0	0	0	0	0	0	0
Subtotal.....	<u>\$ 1,430,000</u>	<u>\$ 1,245,000</u>	<u>\$ 1,260,000</u>	<u>\$ 1,115,000</u>	<u>\$ 1,231,000</u>	<u>\$ 1,247,000</u>	<u>\$ 1,260,000</u>
Voter Approved and Disaster							
PENNVEST -- 1988, 1992 & 2008 Ref.....	\$ 0	\$ 16,000	\$ 20,000	\$ 15,600	\$ 0	\$ 0	\$ 0
Water and Wastewater Referendum.....	0	0	0	0	0	0	0
Growing Greener Referendum.....	30,000	20,000	6,000	0	0	0	0
Subtotal.....	<u>\$ 30,000</u>	<u>\$ 36,000</u>	<u>\$ 26,000</u>	<u>\$ 15,600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL.....	<u>\$ 1,460,000</u>	<u>\$ 1,281,000</u>	<u>\$ 1,286,000</u>	<u>\$ 1,130,600</u>	<u>\$ 1,231,000</u>	<u>\$ 1,247,000</u>	<u>\$ 1,260,000</u>

GENERAL OBLIGATION DEBT OUTSTANDING 2014-15 Through 2020-21

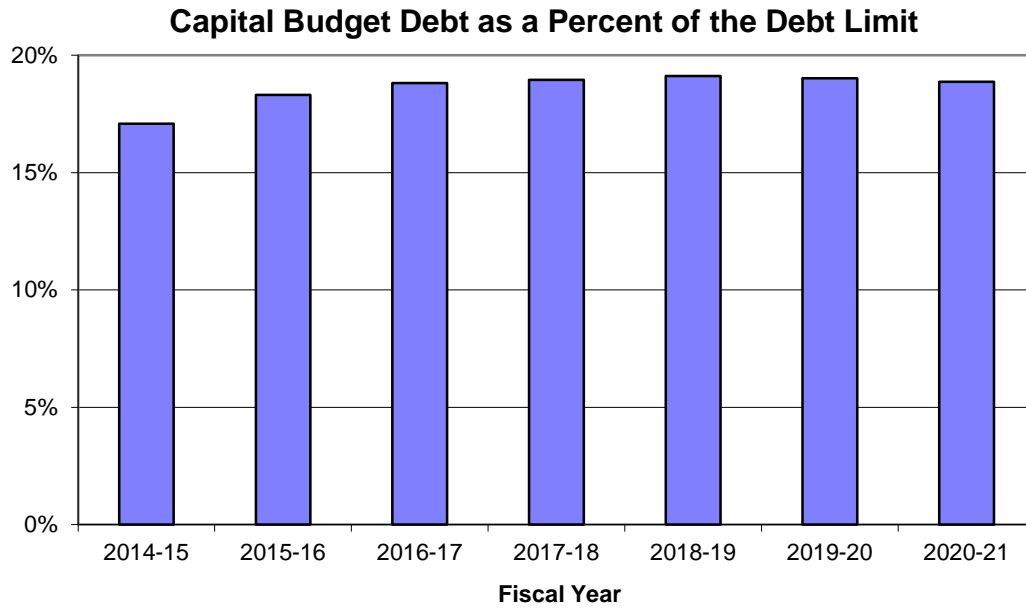
Outstanding debt of the commonwealth is projected using the proposed bond issuance contained in this budget and encompasses all general obligation debt. Sinking fund balances are excluded. Only capital budget debt is subject to the constitutional debt limit [Article VIII, Section 7(a)(4)].



	(Dollar Amounts in Thousands)						
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated
Fiscal Year End Debt Outstanding							
Capital Budget Non-Highway Bonds....	\$ 9,997,940	\$ 10,372,100	\$10,772,639	\$ 11,145,829	\$ 11,586,560	\$ 12,038,835	\$ 12,464,947
Capital Budget Highway/Bridge Bonds	860,445	1,039,025	1,172,615	1,140,083	1,105,950	1,054,862	1,001,251
Voter Approved and Disaster Bonds....	1,227,490	1,198,295	1,162,432	1,114,750	1,049,958	975,182	898,227
TOTAL.....	\$ 12,085,875	\$ 12,609,420	\$13,107,686	\$ 13,400,662	\$ 13,742,468	\$ 14,068,879	\$ 14,364,425

CONSTITUTIONAL DEBT LIMIT 2014-15 Through 2020-21

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)

	2014-15 Actual	2015-16 Estimated	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
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Debt Limit Projection

Capital Budget Debt Subject to Constitutional Debt Limit:

Outstanding Debt

Beginning of Fiscal Year*	\$ 10,132,660	\$ 10,848,292	\$ 11,401,032	\$ 11,935,160	\$ 12,275,818	\$ 12,682,416	\$ 13,083,603
Debt to be Issued**	1,430,000	1,245,000	1,260,000	1,115,000	1,231,000	1,247,000	1,260,000
Debt to be Retired***	-1,352,988	-692,260	-725,872	-774,342	-824,402	-845,813	-887,499

Outstanding Debt

End of Fiscal Year*	\$ 10,848,292	\$ 11,401,032	\$ 11,935,160	\$ 12,275,818	\$ 12,682,416	\$ 13,083,603	\$ 13,456,104
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Debt Limit (from below)	63,508,573	62,239,634	63,444,953	64,786,664	66,328,894	68,801,360	71,303,250
Capital Budget Debt as a percent of Debt Limit	17.1%	18.3%	18.8%	18.9%	19.1%	19.0%	18.9%

Calculation of Debt Limit:

Average Tax Revenues

Previous Five Years	\$ 36,290,613	\$ 35,565,505	\$ 36,254,259	\$ 37,020,951	\$ 37,902,225	\$ 39,315,063	\$ 40,744,714
Debt Limit (1.75 times revenues)	63,508,573	62,239,634	63,444,953	64,786,664	66,328,894	68,801,360	71,303,250

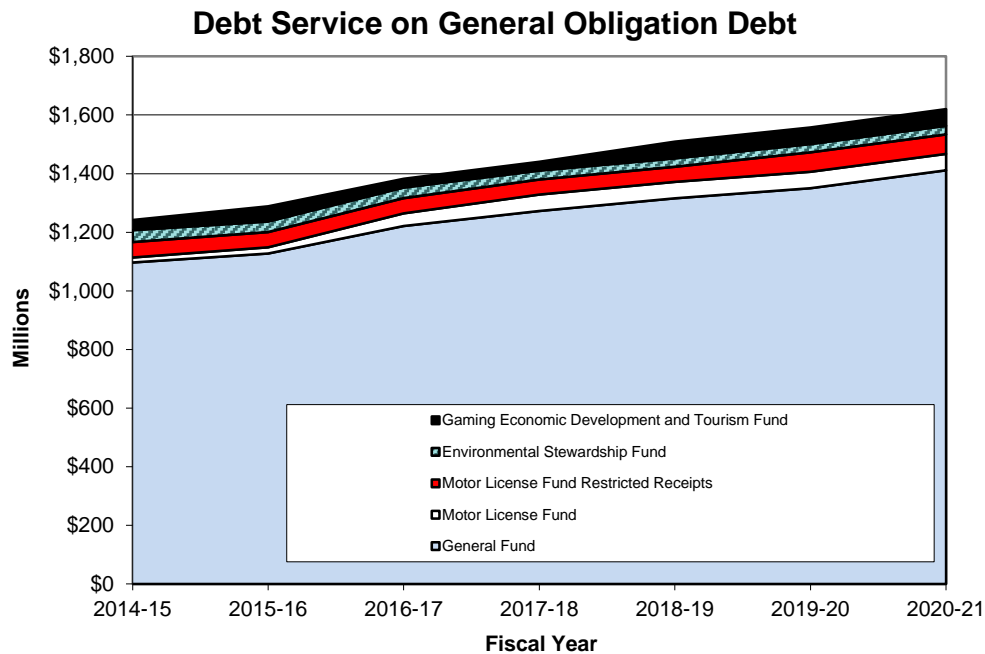
* Actual year amount is net of June 30 Capital Debt Fund balance.

** Actual year amount includes refunding bonds of \$638,620,000.

*** Actual year amount includes \$686,120,000 in bonds refunded.

DEBT SERVICE ON GENERAL OBLIGATION DEBT 2014-15 Through 2020-21

This table shows the estimated net debt service payable by the commonwealth on currently outstanding general obligation bonds and on projected general obligation bond issues.



	(Dollar Amounts in Thousands)						
	2014-15 Actual	2015-16 Estimated	2016-17 Budget	2017-18 Estimated	2018-19 Estimated	2019-20 Estimated	2020-21 Estimated
General Fund							
Capital Budget Non-Highway.....	\$ 1,051,906	\$1,082,600	\$1,179,446	\$ 1,231,401	\$1,279,772	\$1,315,432	\$ 1,370,161
Voter Approved and Disaster.....	44,980	44,900	41,939	41,200	36,081	34,865	41,211
Subtotal.....	\$ 1,096,886	\$1,127,500	\$1,221,385	\$ 1,272,601	\$1,315,853	\$1,350,297	\$ 1,411,372
Environmental Stewardship Fund							
Growing Greener II.....	\$ 40,200	\$ 36,304	\$ 36,314	\$ 30,300	\$ 28,938	\$ 27,920	\$ 29,525
Gaming Economic Development and Tourism Fund							
Pennsylvania Convention Center*.....	\$ 35,000	\$ 51,787	\$ 30,000	\$ 30,000	\$ 56,786	\$ 56,786	\$ 56,786
Motor License Fund**							
Capital Budget -- Highways.....	\$ 0	\$ 4,223	\$ 25,317	\$ 38,198	\$ 38,237	\$ 38,279	\$ 38,354
Capital Budget.....	17,001	16,968	17,815	17,815	17,815	17,748	17,633
Subtotal.....	\$ 17,001	\$ 21,191	\$ 43,132	\$ 56,013	\$ 56,052	\$ 56,027	\$ 55,987
Motor License Fund Restricted Rec.							
Highway Bridge Improvement -- Cap. Bdgt....	\$ 52,753	\$ 51,772	\$ 51,650	\$ 51,563	\$ 51,493	\$ 66,524	\$ 66,511
TOTAL.....	\$ 1,241,840	\$1,288,554	\$1,382,481	\$ 1,440,477	\$1,509,122	\$1,557,554	\$ 1,620,181

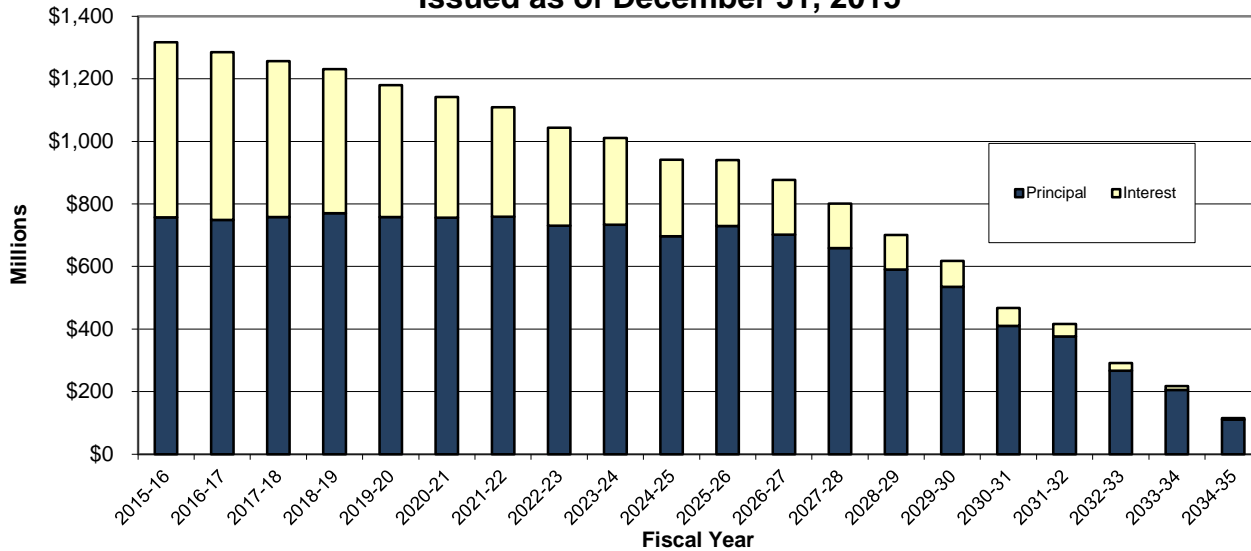
*Transfer amount for FY 15-16 includes \$21,786,555.26 from fiscal year 14-15 that was transferred in August 2015.

**Build America Bond subsidies transferred to the Motor License Fund (not netted out).

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 2015

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 2015 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, 2015



General Obligation Bond Annual Debt Service

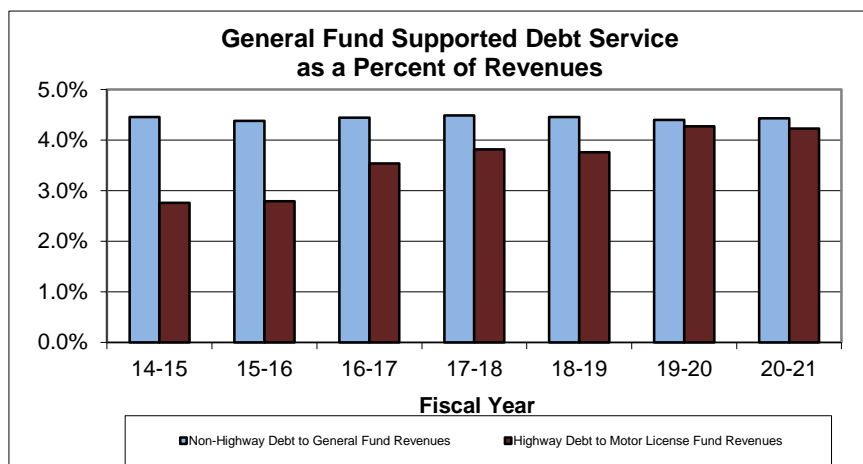
(Dollar Amounts in Thousands)

Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2015-16	\$ 675,840	\$ 463,609	\$ 1,139,449	\$ 16,420	\$ 39,575	\$ 55,995	\$ 65,195	\$ 55,689	\$ 120,884	\$ 1,316,327
2016-17	667,707	440,359	1,108,066	20,514	40,806	61,319	60,775	55,303	116,077	1,285,463
2017-18	674,707	407,122	1,081,829	21,501	39,774	61,275	61,352	52,296	113,648	1,256,752
2018-19	685,600	372,437	1,058,037	22,550	38,692	61,242	62,295	49,141	111,436	1,230,715
2019-20	647,101	338,589	985,690	38,926	37,390	76,316	72,154	45,881	118,034	1,180,040
2020-21	640,677	307,921	948,598	40,841	35,537	76,378	74,202	42,468	116,670	1,141,646
2021-22	628,779	277,196	905,975	51,985	33,563	85,548	78,177	38,874	117,051	1,108,574
2022-23	591,621	247,295	838,916	54,553	31,050	85,603	83,926	34,979	118,905	1,043,425
2023-24	586,644	218,476	805,120	57,750	28,381	86,130	89,142	30,764	119,906	1,011,156
2024-25	544,840	192,122	736,962	60,703	25,529	86,231	91,223	26,521	117,744	940,937
2025-26	567,969	165,581	733,550	63,852	22,474	86,326	97,949	21,990	119,939	939,815
2026-27	540,716	138,813	679,529	68,908	19,233	88,141	91,981	17,387	109,368	877,038
2027-28	507,311	112,734	620,045	72,491	15,807	88,297	79,399	13,188	92,587	800,929
2028-29	450,887	89,470	540,357	76,341	12,091	88,432	62,497	9,681	72,178	700,968
2029-30	409,836	67,825	477,661	64,383	8,266	72,649	60,586	6,629	67,215	617,525
2030-31	327,290	49,181	376,471	41,210	5,041	46,251	41,235	3,623	44,858	467,581
2031-32	317,836	34,899	352,735	28,938	3,469	32,407	29,091	1,999	31,090	416,231
2032-33	230,035	21,525	251,560	20,238	2,180	22,418	16,293	1,041	17,333	291,311
2033-34	185,884	11,095	196,979	14,262	1,293	15,555	4,754	375	5,129	217,663
2034-35	96,209	4,277	100,486	11,739	729	12,467	2,568	159	2,727	115,680
2035-36	20,451	409	20,860	12,344	247	12,591	2,700	54	2,754	36,205

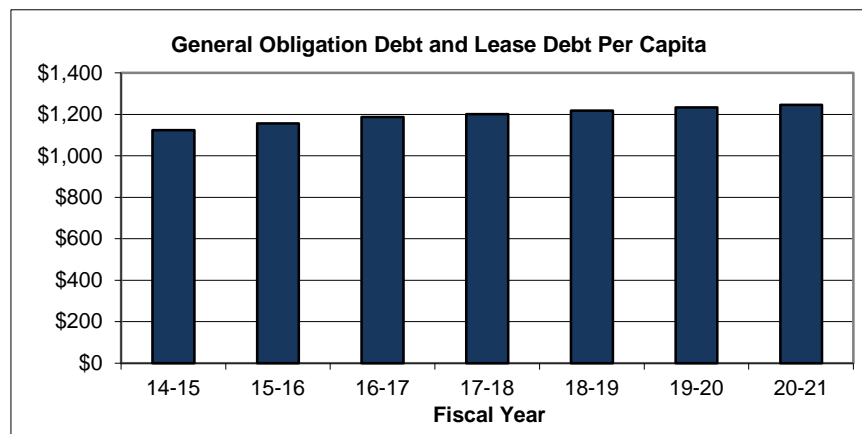
TRENDS IN DEBT SERVICE AND DEBT RATIOS 2014-15 Through 2020-21

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.

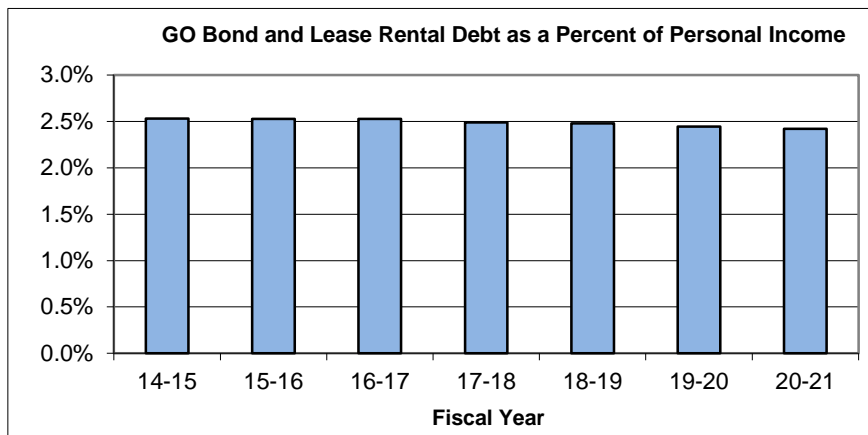
General Fund debt service as a percent of revenues remains below Standard & Poors criteria of 5% for issuers considered to have a "low debt burden."



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
12/31/15
(in millions)**

Commonwealth Financing Authority Created to promote health, safety, employment, business opportunities, economic activity and the general welfare of the commonwealth. Debt service on the bonds is paid from revenues of the authority.	\$ 1,637.4
Delaware River Joint Toll Bridge Commission Created by Pennsylvania and New Jersey to construct, operate and maintain bridges crossing the upper Delaware River. Debt service on the bonds is paid from tolls and other revenues of the commission.	314.1
Delaware River Port Authority Created by Pennsylvania and New Jersey to control and operate bridges crossing the Delaware River, it may construct or acquire other bridges, tunnels and other projects for port improvement and development. The authority operates a rapid transit system, which it constructed. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the authority.	1,537.5
Pennsylvania Economic Development Financing Authority Created to offer pooled bond issues of both taxable and tax-exempt bonds on behalf of local industrial and commercial development authorities for economic development projects. Debt service on the bonds is paid by loan interest and repayments and other authority revenues.	6,405.8
Pennsylvania Higher Education Assistance Agency Makes or guarantees student loans for graduate and undergraduate programs to students or parents, lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and by other agency revenues.	6,260.1
Pennsylvania Higher Educational Facilities Authority Acquires, constructs, improves and leases (as lessor) college facilities and makes loans to colleges and universities within the commonwealth. Debt service on the bonds is paid from rentals and from loan repayments collected for the use of the facilities.	6,425.9
Pennsylvania Housing Finance Agency Makes construction and permanent mortgage loans to qualified borrowers for the purchase and construction of multi and single family housing for low and moderate income persons or families. Debt service on the bonds is paid from mortgage loan interest and repayments and further secured by a "moral obligation" of the Commonwealth.	2,896.4
Pennsylvania Industrial Development Authority Makes mortgage loans to local nonprofit industrial development agencies for the financing of industrial development projects. Debt service on the bonds is paid from loan interest and repayments and other authority revenues.	201.0
Pennsylvania Infrastructure Investment Authority Provides low interest rate loans and grants for constructing new and for improving existing water supply and sewage disposal systems. Loans and grants are available to local governments and, in certain circumstances, to private companies. The bonds are secured by principal repayments and interest payments on loans.	65.0
Pennsylvania Turnpike Commission Constructs, maintains and operates the Pennsylvania Turnpike. Debt service on the bonds is paid from tolls and other revenue sources of the commission.	10,503.6
Philadelphia Regional Port Authority Operates port facilities in Bucks and Delaware counties, and the City of Philadelphia. Debt service on the bonds is paid by a pledge of the authority's revenues, rentals and receipts.	20.4
State Public School Building Authority Constructs, improves, equips and makes loans to local school districts for school facilities. Debt service on the bonds is paid from rentals collected for the use of the facilities and from loan repayments.	3,076.5
TOTAL	\$ 39,343.6



Commonwealth of Pennsylvania

Governor's Executive Budget

OTHER SPECIAL FUNDS

This section provides information and financial data for the more than 150 Other Special Funds contributing revenue to the commonwealth's operating budget. The funds included here were created to more closely relate specific revenue sources to specific programs or to support particular government programs or activities. This information is presented to demonstrate the magnitude and complexity of the commonwealth's financial structure as well as provide important details about the various funds. Additional information on Other Special Funds expenditures can be found in Section E Department Presentations in each agency's Summary by Fund and Appropriation statement.

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OTHER SPECIAL FUNDS

This section contains a brief presentation of all active commonwealth funds not given an expanded treatment in the other sections of the budget. In a limited number of cases certain expenditures from funds presented in this section are included in other presentations.

Generally, the commonwealth uses a modified cash basis of accounting for financial reporting where certain revenues are reported when collected and, for certain taxes, when accrued and expenditures are reported when disbursed or committed.

For the funds included in this section, all financial data shown herein is on a calculated cash basis. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Several funds carrying long-term investments show an investment adjustment to reflect the current market value of those investments as of June 30. Disbursements are recorded at the time payment requisitions and invoices are posted to the commonwealth's accounting system and do not include commitments or encumbrances.

The cash beginning and ending balances reported through this format may differ from the actual cash balance in Treasury and/or the cash general ledger account in the commonwealth's accounting system due to timing differences, but the calculated cash balances reported provide an accurate reflection of the true cash position of the fund.

The vast majority of the commonwealth's day-to-day activities are financed from the General Fund. However, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into groups to aid in identifying their purpose. The groups are defined as follows:

Governmental Funds: Collectively these funds account for and report activities that are associated with routine, ordinary governmental functions and are financed largely by tax and grant revenues. The group includes the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

Special Revenue Funds — These funds are used to account for revenues from specific taxes or other earmarked revenue sources, which by law are designated to finance particular functions or activities.

Capital Project Funds — Bond funds are used to account for the receipt and disbursement of bond sale proceeds that normally finance the construction or acquisition of designated fixed assets.

Debt Service Funds — These funds account for the accumulation of resources, principally from transfers from other funds, for the payment of general long-term debt principal and interest.

Proprietary Funds: Include Enterprise Funds and Internal Service Funds. Such funds account for and report activities the way a private business or industry would. They include such activities as sale of goods or services, and lending and other financing activities where purchasers or customers pay a charge or a user fee.

Enterprise Funds — These funds accommodate the operation of public service programs financed wholly or mostly by user charges, or where the periodic determination of net income is deemed appropriate.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency on a cost-reimbursement basis to other departments or agencies within the commonwealth or to other governmental units.

Fiduciary Funds: These funds are used to account for assets held by the commonwealth as trustee or agent for individuals, private organizations and other government units.

The special funds are categorized on the next two pages.

SPECIAL FUND CATEGORIES

Governmental Funds – Special Revenue Funds

Acid Mine Drainage Abatement and Treatment Fund
 Administration Fund
 Agricultural College Land Scrip Fund
 Agricultural Conservation Easement Purchase Fund
 Anthracite Emergency Bond Fund
 Automobile Theft Prevention Trust Fund
 Banking Fund
 Ben Franklin Tech Development Authority Fund
 Boat Fund
 Broadband Outreach and Aggregation Fund
 Budget Stabilization Reserve Fund
 Capitol Restoration Trust Fund
 Catastrophic Loss Benefits Continuation Fund
 Children's Trust Fund
 Cigarette Fire Safety & Firefighter Protection Act
 Enforcement Fund
 Clean Air Fund
 Coal Lands Improvement Fund
 Community College Capital Fund
 Compulsive and Problem Gambling Treatment Fund
 Conrad Weiser Memorial Park Trust Fund
 Conservation District Fund
 DNA Detection Fund
 Educational Assistance Program Fund
 Emergency Medical Services Operating Fund
 Energy Development Fund
 Environmental Education Fund
 Environmental Stewardship Fund
 Farm Products Show Fund
 Fire Insurance Tax Fund
 Fish Fund
 Game Fund
 Gov Robert P. Casey Organ & Tissue Donation
 Awareness Trust Fund
 Growing Greener Bond Fund
 Hazardous Material Response Fund
 Hazardous Sites Cleanup Fund
 Higher Education Assistance Fund
 Highway Beautification Fund
 HOME Investment Trust Fund
 Homeowners Assistance Settlement Fund
 Housing Affordability and Rehabilitation
 Enhancement Fund
 Industrial Development Fund
 Industrial Sites Cleanup Fund
 Insurance Fraud Prevention Trust Fund
 Insurance Regulation and Oversight Fund
 Job Training Fund
 Justice Reinvestment Fund
 Marcellus Legacy Fund
 Medical Care Availability & Reduction of Error Fund
 Milk Marketing Fund
 Mine Safety Fund
 Monetary Penalty Endowments Fund

Motor Vehicle Transaction Recovery Fund
 Municipalities Financial Recovery Revolving Aid Fund
 Multimodal Transportation Fund
 Non-Coal Surface Mining Conservation and
 Reclamation Fund
 Nutrient Management Fund
 Oil and Gas Lease Fund
 Patient Safety Trust Fund
 Pennsylvania Economic Revitalization Fund
 Pennsylvania eHealth Partnership Fund
 Pennsylvania Gaming Economic Development and
 Tourism Fund
 Pennsylvania Historical & Museum Commission Trust
 Pennsylvania Race Horse Development Fund
 Pennsylvania Veterans Memorial Trust Fund
 PENNVEST Bond Authorization Fund
 PENNVEST Drinking Water Revolving Fund
 PENNVEST Fund
 PENNVEST Water Pollution Control Revolving Fund
 Persian Gulf Conflict Veterans' Comp Bond Fund
 Pharmaceutical Assistance Fund
 Philadelphia Regional Port Authority Fund
 Port of Pittsburgh Commission Fund
 Property Tax Relief Fund
 Public Transportation Assistance Fund
 Public Transportation Trust Fund
 Racing Fund
 Real Estate Recovery Fund
 Recycling Fund
 Remining Financial Assurance Fund
 Self-Insurance Guaranty Fund
 Solid Waste-Resource Recovery Development Fund
 Special Administration Fund
 State College Experimental Farm Fund
 State Gaming Fund
 State Insurance Fund
 State School Fund
 State Treasury Armory Fund
 Storage Tank Fund
 Substance Abuse Education & Demand Reduction
 Surface Mining Conservation and Reclamation Fund
 Tobacco Settlement Fund
 Treasury Initiative Support Fund
 Unconventional Gas Well Fund
 Underground Storage Tank Indemnification Fund
 Uninsured Employers Guaranty Fund
 Vocational Rehabilitation Fund
 Water and Sewer Systems Assistance Bond Fund
 Water Supply and Wastewater Treatment Fund
 Wild Resources Conservation Fund
 Workers' Compensation Security Fund
 Workmen's Compensation Administration Fund
 Workmen's Compensation Supersedeas Fund
 911 Fund

SPECIAL FUND CATEGORIES

Governmental Funds – Capital Project Funds

Capital Facilities Fund

Keystone Recreation, Park and Conservation Fund

Land and Water Development Fund

Governmental Funds – Debt Service Funds

Capital Debt Fund

Growing Greener Bond Sinking Fund

Land and Water Development Sinking Fund

Local Criminal Justice Sinking Fund

PENNVEST Redemption Fund

Persian Gulf Conflict Veterans' Comp Sinking Fund

Tax Note Sinking Fund

Water & Sewer System Assist Bond Sinking Fund

Water Supply & Wastewater Treatment Sinking Fund

Proprietary Funds – Enterprise Funds

Coal and Clay Mine Subsidence Insurance Fund

Employment Fund for the Blind

Historical Preservation Fund

Local Government Capital Project Loan Fund

Machinery and Equipment Loan Fund

Minority Business Development Fund

Pennsylvania Infrastructure Bank

Philadelphia Taxicab & Limousine Regulatory Fund

Philadelphia Taxicab Medallion Fund

Rehabilitation Center Fund

Small Business First Fund

State Restaurant Fund

State Stores Fund

State Worker's Insurance Fund

Tuition Account Guaranteed Savings Program Fund

Unemployment Comp Benefit Payment Fund

Unemployment Compensation Contribution Fund

Unemployment Compensation Debt Service Fund

Veterans Trust Fund

Volunteer Companies Loan Fund

Proprietary Funds – Internal Service Funds

Manufacturing Fund

Purchasing Fund

Fiduciary Funds

Benefit Completion Fund

City Revitalization and Improvement Fund

Deferred Compensation Fund

Deferred Compensation Fund Short-Term Portfolio

Insurance Liquidation Fund

Liquid Fuels Tax Fund

Liquor License Fund

Local Cigarette Tax Fund

Municipal Pension Aid Fund

Neighborhood Improvement Zone Fund

Pennsylvania Municipal Retirement Fund

Rightful Owners' Claims Payment Fund

School Employees' Retirement Fund

School Retirees' Health Insurance Fund

State Employees' Retirement Fund

Tuition Account Investment Program Fund

Acid Mine Drainage Abatement and Treatment Fund

This fund was created in 1992 to receive money authorized by Title IV of the Federal Surface Mining Control and Reclamation Act. This fund receives up to ten percent of the commonwealth's federal Title IV grant for abandoned mine reclamation. Funds are used for acid mine drainage abatement and treatment.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 62,451	\$ 76,794	\$ 81,435
Receipts:			
Federal Receipts.....	\$ 18,182	\$ 16,660	\$ 16,600
Interest.....	1,191	955	955
Total Receipts.....	19,373	17,615	17,555
Total Funds Available.....	\$ 81,824	\$ 94,409	\$ 98,990
Disbursements:			
Environmental Protection.....	\$ 5,030	\$ 12,974	\$ 13,823
Total Disbursements.....	-5,030	-12,974	-13,823
Cash Balance, Ending.....	\$ 76,794	\$ 81,435	\$ 85,167

Administration Fund

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the state system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from monies requisitioned from the commonwealth's account in the Federal Unemployment Trust Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 2,169	\$ 6,969	\$ 15,819
Receipts:			
Federal Unemployment Trust Fund.....	\$ 177,078	\$ 191,000	\$ 191,000
Federal — Other Funds.....	6,812	8,000	8,000
Interest	6	32	32
Other.....	1,164	1,000	1,000
Total Receipts.....	185,060	200,032	200,032
Total Funds Available.....	\$ 187,229	\$ 207,001	\$ 215,851
Disbursements:			
Labor and Industry.....	\$ 180,260	\$ 191,182	\$ 203,000
Total Disbursements.....	-180,260	-191,182	-203,000
Cash Balance, Ending.....	\$ 6,969	\$ 15,819	\$ 12,851

Agricultural College Land Scrip Fund

This fund was established in 1862 with \$500,000 received from the sale of lands and scrip which was donated to the commonwealth by an Act of Congress to establish a college for the benefit of Agriculture and the Mechanical Arts. The income derived from the investment of the monies in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Monies in this fund can be disbursed only for use by the officially designated land grant college (Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts. Act 26 of 2011 established a restricted revenue account in the Fund for the Department of Agriculture.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 621	\$ 622	\$ 623
Receipts:			
Transfer from General Fund.....	\$ 46,237	\$ 48,549	\$ 50,976
Interest.....	7	1	1
Total Receipts.....	46,244	48,550	50,977
Total Funds Available.....	\$ 46,865	\$ 49,172	\$ 51,600
Disbursements:			
Agriculture.....	\$ 46,237	\$ 48,549	\$ 50,976
Treasury.....	6	0	0
Total Disbursements.....	-46,243	-48,549	-50,976
Cash Balance, Ending.....	\$ 622	\$ 623	\$ 624

Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate on November 8, 1988. That referendum authorized the commonwealth to incur indebtedness of \$100 million to be used for farmland preservation through the purchase of agricultural conservation easements. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. All bonds authorized have been issued.

Act 89 of 2002 changed the annual transfer of cigarette tax revenues from the first two thirty-firsts of the cigarette tax to \$20,485,000 to be made in two equal payments by July 15th and January 15th. Act 15 of 1999 created a supplemental program for farmland preservation. Beginning in 2005-06 the program receives a set percentage (14.8%) of the Environmental Stewardship Fund for the continued purchase of agricultural easements. The pending 2015-16 Fiscal Code reduces the total available Environmental Stewardship funding but adjusts the set percentage for this fund from 14.8% to 18.7% to protect against a decrease for this allocation. This anticipated change is reflected below.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 21,196	\$ 27,440	\$ 30,169
Receipts:			
Transfer of Cigarette Tax.....	\$ 20,485	\$ 20,485	\$ 20,485
Transfer from Environmental Stewardship Fund.....	9,529	13,097 ^a	10,670
Interest.....	63	68	68
Total Receipts.....	30,077	33,650	31,223
Total Funds Available.....	\$ 51,273	\$ 61,090	\$ 61,392
Disbursements:			
Agriculture.....	\$ 23,833	\$ 30,921	\$ 32,000
Total Disbursements.....	-23,833	-30,921	-32,000
Cash Balance, Ending.....	\$ 27,440	\$ 30,169	\$ 29,392

^a Amount reflects change in HB1327 (Fiscal Code).

Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 644	\$ 655	\$ 450
Receipts:			
Operator Payments.....	\$ 10	\$ 10	\$ 10
Interest	1	1	1
Total Receipts	11	11	11
Total Funds Available	\$ 655	\$ 666	\$ 461
Disbursements:			
Environmental Protection	\$ 0	\$ 216	\$ 229
Total Disbursements	0	-216	-229
Cash Balance, Ending	\$ 655	\$ 450	\$ 232

Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the commonwealth to prevent, combat and reduce automobile theft as well as improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies that conduct business in the commonwealth, interest earnings, and fines and penalties.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 5	\$ 6	\$ 7
Receipts:			
Assessments.....	\$ 6,990	\$ 6,991	\$ 6,991
Interest	1	1	1
Total Receipts	6,991	6,992	6,992
Total Funds Available	\$ 6,996	\$ 6,998	\$ 6,999
Disbursements:			
Automobile Theft Prevention Authority.....	\$ 6,990	\$ 6,991	\$ 6,999
Total Disbursements	-6,990	-6,991	-6,999
Cash Balance, Ending	\$ 6	\$ 7	\$ 0

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. These funds are to be used at the discretion of the Secretary of Banking and Securities in the event of a seizure or liquidation of a financial institution, association or credit union.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 17,435	\$ 20,823	\$ 18,774
Receipts:			
Licenses and Fees.....	\$ 21,687	\$ 21,700	\$ 24,317
Fines and Penalties.....	487	400	400
Interest.....	288	236	236
Other.....	600	400	0
Total Receipts	23,062	22,736	24,953
Total Funds Available	\$ 40,497	\$ 43,559	\$ 43,727
Disbursements:			
Banking and Securities.....	\$ 19,674	\$ 24,785	\$ 23,235
Total Disbursements	-19,674	-24,785	-23,235
Cash Balance, Ending	\$ 20,823 ^a	\$ 18,774 ^a	\$ 20,492 ^a

^a Ending cash balance includes the following amounts in the Institution Resolution Restricted Account: 2014-15 Actual is \$5,500,000, 2015-16 Available is \$7,500,000 and 2016-17 Estimated is \$9,500,000.

Ben Franklin Technology Development Authority Fund

Act 38 of 2001 created the Ben Franklin Technology Development Authority Fund. This fund merges the activities of the Ben Franklin Partnership and the Pennsylvania Technology Investment Authority (PTIA) under one authority. The Ben Franklin component assists small and medium sized technology, research and start-up companies to do applied research and development projects and to develop and introduce new products and processes. PTIA provides high-tech financing to small and medium-sized businesses; stimulates the adoption and expansion of electronic commerce; and coordinates and expands university-based research and development in high-tech fields. Revenue to the fund includes annual transfers from the General Fund, loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 8,416	\$ 9,989	\$ 9,699
Receipts:			
Transfer from General Fund.....	\$ 14,500	\$ 14,500	\$ 14,500
Innovate in PA Tax Credit Sale Proceeds.....	0	29,000 ^a	29,000
Interest on Escrow.....	650	1,000	1,000
Loan Principal and Interest Repayments.....	2,529	2,500	2,500
Interest.....	27	35	35
Other.....	21	20	20
Total Receipts	17,727	47,055	47,055
Total Funds Available	\$ 26,143	\$ 57,044	\$ 56,754
Disbursements:			
Community and Economic Development.....	\$ 16,154	\$ 47,345	\$ 48,000 ^a
Total Disbursements	-16,154	-47,345	-48,000
Cash Balance, Ending	\$ 9,989	\$ 9,699	\$ 8,754

^a Act 52 of 2013 Section 1811-F authorizes funding (estimate \$29M per year) to be paid for Innovate in PA from restricted revenue.

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 4,325	\$ 3,858	\$ 2,917
Receipts:			
Employer Contributions	\$ 926	\$ 602	\$ 620
Interest.....	7	7	7
Total Receipts	933	609	627
Total Funds Available	\$ 5,258	\$ 4,467	\$ 3,544
Disbursements:			
State Employees' Retirement System.....	\$ 1,400	\$ 1,550	\$ 1,603
Total Disbursements.....	-1,400	-1,550	-1,603
Cash Balance, Ending.....	\$ 3,858	\$ 2,917	\$ 1,941

Boat Fund

The Boat Fund is a special revenue fund composed of monies from boating license fees, fines, penalties, federal contributions and other sources and from liquid fuel taxes transferred from the Motor License and Liquid Fuels Tax Funds. This fund provides for the administration and enforcement of programs relating to boats and boating activities.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 22,255	\$ 22,922	\$ 26,129
Receipts:			
Licenses and Fees.....	\$ 7,586	\$ 6,990	\$ 6,990
Fines and Penalties.....	259	200	200
Transfer from Motor License Fund.....	1,531	10,470	10,470
Transfer from Liquid Fuels Tax Fund.....	67	100	100
Federal Receipts.....	3,483	5,467	5,112
Interest.....	542	431	431
Other.....	24	97	97
Total Receipts	13,492	23,755	23,400
Total Funds Available	\$ 35,747	\$ 46,677	\$ 49,529
Disbursements:			
Fish and Boat Commission.....	\$ 12,825	\$ 20,548	\$ 26,382
Total Disbursements	-12,825	-20,548	-26,382
Cash Balance, Ending	\$ 22,922	\$ 26,129	\$ 23,147

Broadband Outreach and Aggregation Fund

Act 183 of 2004 established the Broadband Outreach and Aggregation Fund to fund grants and outreach programs with the ultimate purpose of increasing broadband access in unserved or underserved areas. Deposits to the fund include assessments levied and collected by the Public Utility Commission (PUC) on certain local exchange telecommunications companies. Up to three percent of annual proceeds can be used by the agency for administrative costs. The total amount of the fund shall not exceed \$5 million annually. This fund shall terminate on July 1, 2016 in accordance with the Act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 3,446	\$ 3,355	\$ 0
Receipts:			
Transfer from PUC.....	\$ 477	\$ 477	\$ 0
Interest.....	6	6	0
Total Receipts	483	483	0
Total Funds Available	\$ 3,929	\$ 3,838	\$ 0
Disbursements:			
Community and Economic Development.....	\$ 574	\$ 3,838	\$ 0
Total Disbursements	-574	-3,838	0
Cash Balance, Ending	\$ 3,355	\$ 0	\$ 0

Budget Stabilization Reserve Fund

This fund was created on July 15, 2002 by Act 91 of 2002 to replace the Tax Stabilization Reserve Fund. The fund provides financial assistance to minimize future revenue shortfalls and deficits, and promote greater continuity and predictability in the funding of vital government services. It minimizes the need to increase taxes to balance the budget of the commonwealth during periods of economic distress. Act 91 provides revenue through an annual transfer of twenty-five percent of the General Fund's fiscal year ending surplus. If the fund's ending balance would equal or exceed six percent of actual General Fund revenues for the fiscal year in which the surplus occurs, the General Fund transfer would be reduced to ten percent. Act 53 of 2008 suspended the transfer of surplus funds for 2007-08. Act 50 of 2009 transferred \$755 million to the General Fund in 2009-10. Act 46 of 2010 transferred \$745,000 to the General Fund in 2010-11. Act 26 of 2011 suspended the transfer of surplus funds for 2010-11. Act 87 of 2012 suspended the transfer of surplus funds for 2011-12. Act 71 of 2013 suspended the transfer of surplus funds for 2012-13. Act 126 of 2014 suspended the transfer of surplus funds for 2013-14. Under current law, the 25 percent transfer for 2014-15 will be made by March 31, 2016. This budget proposes to suspend the 25 percent transfer for 2015-16 and reinstate the transfer of 25 percent of the 2016-17 General Fund surplus to the Budget Stabilization Reserve Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 231	\$ 232	\$ 68,970
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 68,614	\$ 0
Interest	1	124	1,030
Total Receipts	1	68,738	1,030
Total Funds Available	\$ 232	\$ 68,970	\$ 70,000
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 232	\$ 68,970	\$ 70,000

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 145,873	\$ 10,093	\$ 14,945
Receipts:			
Transfer from Other Funds.....	\$ 1,156,660	\$ 1,207,349	\$ 1,304,228
Refunding Bond Maturing Escrow Funds.....	890,081	729,703	430,006
Build America Bond Federal Subsidies.....	20,020	19,363	19,399
Interest on Securities.....	51	60	50
Other.....	0	16	0
Total Receipts	2,066,812	1,956,491	1,753,683
Total Funds Available	\$ 2,212,685	\$ 1,966,584	\$ 1,768,628
Disbursements:			
Treasury.....	\$ 2,202,592	\$ 1,951,639	\$ 1,765,981
Total Disbursements	-2,202,592	-1,951,639	-1,765,981
Cash Balance, Ending	\$ 10,093	\$ 14,945	\$ 2,647

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 518,777	\$ 924,747	\$ 519,497
Receipts:			
Sale of Bonds.....	\$ 1,430,298	\$ 1,245,000	\$ 1,260,000
Premium on Sale of Bonds.....	191,127	0	0
Cash Management Loan	250,000	0	0
Interest on Securities	956	750	750
Other	28,285	25,000	25,000
Total Receipts	2,305,666	1,270,750	1,285,750
Total Funds Available	\$ 2,824,443	\$ 2,195,497	\$ 1,805,247
Disbursements:			
Community and Economic Development.....	\$ 238,817	\$ 250,000	\$ 250,000
Conservation & Natural Resources.....	247	1,000	1,000
General Services.....	697,767	720,000	750,000
Transportation.....	303,151	365,000	335,000
Treasury.....	656,274	340,000	340,000
Other.....	3,440	0	0
Total Disbursements	-1,899,696	-1,676,000	-1,676,000
Cash Balance, Ending	\$ 924,747	\$ 519,497	\$ 129,247

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 426	\$ 427	\$ 419
Receipts:			
Contribution & Sales.....	\$ 1	\$ 5	\$ 1
Interest.....	0	1	1
Total Receipts	<u>1</u>	<u>6</u>	<u>2</u>
Total Funds Available	\$ 427	\$ 433	\$ 421
Disbursements:			
Capitol Preservation Committee.....	\$ 0	\$ 14	\$ 20
Total Disbursements	<u>0</u>	<u>-14</u>	<u>-20</u>
Cash Balance, Ending	\$ 427	\$ 419	\$ 401

Catastrophic Loss Benefits Continuation Fund

This fund was established by Act 24 of 1989 to replace the Catastrophic Loss Trust Fund. The purpose of the Catastrophic Loss Benefits Continuation Fund (CAT fund) is to pay all medical claims owed by the Catastrophic Loss Trust Fund. Monies in the former Catastrophic Loss Trust Fund were transferred to this fund effective July 1, 1989.

Act 13 of 2002 established the Medical Care Availability and Reduction of Error (Mcare) Fund and mandated that all surcharges levied and collected under the CAT fund be remitted to the Mcare Fund beginning in January 2004. Act 50 of 2009 redirected the surcharge to the General Fund for 2009-10 and 2010-11. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

This fund will continue to pay claimants from its balance and interest earnings until no further obligations exist. The most recent actuarial report estimates final expenditure in 2089.

No obligation or expense of, or claim against, the fund constitutes a debt of the commonwealth or a charge against the General Fund or the Motor License Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 88,628	\$ 86,358	\$ 81,527
Receipts:			
Interest	\$ 2,083	\$ 1,558	\$ 1,558
Other	1,488	0	0
Total Receipts	<u>3,571</u>	<u>1,558</u>	<u>1,558</u>
Total Funds Available	\$ 92,199	\$ 87,916	\$ 83,085
Disbursements:			
Insurance	\$ 5,841	\$ 6,389	\$ 6,826
Total Disbursements	<u>-5,841</u>	<u>-6,389</u>	<u>-6,826</u>
Cash Balance, Ending	\$ 86,358	\$ 81,527	\$ 76,259

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,886	\$ 1,680	\$ 1,449
Receipts:			
Marriage/Divorce Surcharge.....	\$ 1,109	\$ 1,200	\$ 1,200
Children's Trust Fund Donations.....	24	4	4
Interest.....	3	3	3
Total Receipts	1,136	1,207	1,207
Total Funds Available	\$ 3,022	\$ 2,887	\$ 2,656
Disbursements:			
Human Services.....	\$ 1,342	\$ 1,438	\$ 1,400
Total Disbursements	-1,342	-1,438	-1,400
Cash Balance, Ending	\$ 1,680	\$ 1,449	\$ 1,256

Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund

Act 42 of 2008 provides for cigarette fire safety, for certification of compliance by manufacturers, for package markings, and for enforcement and penalties. Certification fees are collected by the Department of Revenue at a rate of \$1,000 per brand family and \$500 for each additional listing within a brand family. Penalties are charged for specified violations. The Attorney General's Office enforces the act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 355	\$ 456	\$ 427
Receipts:			
Fees.....	\$ 100	\$ 20	\$ 20
Interest.....	1	1	1
Total Receipts	101	21	21
Total Funds Available	\$ 456	\$ 477	\$ 448
Disbursements:			
Attorney General.....	\$ 0	\$ 50	\$ 50
Total Disbursements	0	-50	-50
Cash Balance, Ending	\$ 456	\$ 427	\$ 398

City Revitalization and Improvement Fund

The City Revitalization and Improvement Fund is a fiduciary fund established by Act 52 of 2013 which authorizes City Revitalization and Improvement Zones to provide economic development and job creation in cities with populations greater than 30,000. Each zone is comprised of parcels designated by the contracting authority constructing facilities in the zone. Through 2016, only two zones may be created, including a pilot program which is a zone in a township or borough having a population of at least 7,000 people. After 2016, two additional zones may be approved each year. Bonds are issued by the contracting authority and state and local taxes collected within a zone are used for program efforts and to repay debt service.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Revenue.....	\$ 0	\$ 8,000	\$ 12,400
Interest.....	0	0	30
Total Receipts	0	8,000	12,430
Total Funds Available	\$ 0	\$ 8,000	\$ 12,430
Disbursements:			
Community and Economic Development.....	\$ 0	\$ 8,000	\$ 12,430
Total Disbursements	0	-8,000	-12,430
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 47,775	\$ 44,796	\$ 30,564
Receipts:			
Fines and Penalties.....	\$ 1,580	\$ 2,000	\$ 2,000
Fees.....	19,665	17,150	16,850
Interest.....	1,169	830	830
Other.....	-1,572	50	50
Total Receipts	20,842	20,030	19,730
Total Funds Available	\$ 68,617	\$ 64,826	\$ 50,294
Disbursements:			
Environmental Protection	\$ 23,821	\$ 34,262	\$ 32,504
Total Disbursements	-23,821	-34,262	-32,504
Cash Balance, Ending	\$ 44,796	\$ 30,564	\$ 17,790

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 97,251	\$ 101,407	\$ 102,567
Receipts:			
Premiums Collected.....	\$ 5,382	\$ 5,400	\$ 5,600
Interest.....	1,948	1,660	1,660
Other.....	0	1	1
Total Receipts	7,330	7,061	7,261
Total Funds Available	\$ 104,581	\$ 108,468	\$ 109,828
Disbursements:			
Environmental Protection	\$ 3,174	\$ 5,901	\$ 5,894
Total Disbursements	-3,174	-5,901	-5,894
Cash Balance, Ending	\$ 101,407	\$ 102,567	\$ 103,934

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,790	\$ 2,795	\$ 2,657
Receipts:			
Interest	\$ 5	\$ 5	\$ 5
Total Receipts	5	5	5
Total Funds Available	\$ 2,795	\$ 2,800	\$ 2,662
Disbursements:			
Environmental Protection	\$ 0	\$ 143	\$ 200
Total Disbursements	0	-143	-200
Cash Balance, Ending	\$ 2,795	\$ 2,657	\$ 2,462

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,430	\$ 4,988	\$ 4,998
Receipts:			
Transfer from General Fund.....	\$ 48,869	\$ 48,869	\$ 48,869
Interest.....	41	10	10
Total Receipts.....	48,910	48,879	48,879
Total Funds Available	\$ 51,340	\$ 53,867	\$ 53,877
Disbursements:			
Education.....	\$ 46,352	\$ 48,869	\$ 48,869
Total Disbursements.....	-46,352	-48,869	-48,869
Cash Balance, Ending	\$ 4,988	\$ 4,998	\$ 5,008

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 8,694	\$ 8,117	\$ 5,509
Receipts:			
Transfer from the State Gaming Fund - Drug and Alcohol.....	\$ 3,000	\$ 3,000	\$ 3,000
Transfer from the State Gaming Fund.....	4,384	4,566	4,800
Interest	20	15	15
Total Receipts	7,404	7,581	7,815
Total Funds Available	\$ 16,098	\$ 15,698	\$ 13,324
Disbursements:			
Drug and Alcohol Programs.....	\$ 7,981	\$ 10,189	\$ 9,150
Total Disbursements	-7,981	-10,189	-9,150
Cash Balance, Ending	\$ 8,117	\$ 5,509	\$ 4,174

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 94	\$ 86	\$ 74
Receipts:			
Interest	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 94	\$ 86	\$ 74
Disbursements:			
Historical and Museum Commission	\$ 8	\$ 12	\$ 0
Total Disbursements	-8	-12	0
Cash Balance, Ending	\$ 86	\$ 74	\$ 74

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 5,238	\$ 5,234	\$ 4,213
Receipts:			
Transfer from General Fund.....	\$ 3,375	\$ 3,375	\$ 3,375
Transfer from Unconventional Gas Well Fund.....	3,750	3,844	3,940
Interest.....	7	9	9
Total Receipts	7,132	7,228	7,324
Total Funds Available	\$ 12,370	\$ 12,462	\$ 11,537
Disbursements:			
Environmental Protection.....	\$ 4,163	\$ 4,930	\$ 4,476
Agriculture.....	2,973	3,319	2,839
Total Disbursements	-7,136	-8,249	-7,315
Cash Balance, Ending	\$ 5,234	\$ 4,213	\$ 4,222

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 Benefits and Rollovers 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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 32,428	\$ 117,331	\$ 33,201
Receipts:			
Employee Contributions	\$ 131,757	\$ 135,710	\$ 139,781
Sale of Securities	69,496	0	0
Purchase of Securities	0	-100,000	-25,000
Interest	99 ^a	102 ^a	105 ^a
Total Receipts	201,352	35,812	114,886
Total Funds Available	\$ 233,780	\$ 153,143	\$ 148,087
Disbursements:			
Benefits and Rollovers	\$ 109,944	\$ 113,242	\$ 116,639
Fees and Expenses	6,505	6,700	6,901
Total Disbursements	-116,449	-119,942	-123,540
Cash Balance, Ending	\$ 117,331	\$ 33,201	\$ 24,547

^a 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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 53,987	\$ 56,203	\$ 58,486
Receipts:			
Transfers from Deferred Compensation Fund	\$ 8,822	\$ 8,999	\$ 9,179
Interest	87	111	111
Total Receipts	8,909	9,110	9,290
Total Funds Available	\$ 62,896	\$ 65,313	\$ 67,776
Disbursements:			
State Employees' Retirement System	\$ 6,693	\$ 6,827	\$ 6,964
Total Disbursements	-6,693	-6,827	-6,964
Cash Balance, Ending	\$ 56,203	\$ 58,486	\$ 60,812

DNA Detection Fund

The DNA Detection Fund was created by Act 14 of Special Session One of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank. Act 57 of 2002 reestablished this fund as well as the State DNA Data Base and State DNA Data Bank. Additional requirements provide for testing and the imposition of related costs on certain offenders, while further defining the apportionment of liability and damages against defendants.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 10,160	\$ 8,421	\$ 6,192
Receipts:			
Assessments.....	\$ 1,976	\$ 1,975	\$ 1,975
Interest.....	19	16	16
Total Receipts	1,995	1,991	1,991
Total Funds Available	\$ 12,155	\$ 10,412	\$ 8,183
Disbursements:			
State Police.....	\$ 3,734	\$ 4,220	\$ 4,191
Total Disbursements	-3,734	-4,220	-4,191
Cash Balance, Ending	\$ 8,421	\$ 6,192	\$ 3,992

Educational Assistance Program Fund

The Educational Assistance Program Fund was established in Act 212 of 2004 to fund the Educational Assistance Program for members of the National Guard. Act 78 of 2014 added the Medical and Health Officer Incentive Program to this fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 6,137	\$ 4,014	\$ 591
Receipts:			
Transfer from General Fund.....	\$ 9,500	\$ 9,500	\$ 12,500
Interest.....	11	8	8
Total Receipts	9,511	9,508	12,508
Total Funds Available	\$ 15,648	\$ 13,522	\$ 13,099
Disbursements:			
Military and Veterans Affairs.....	\$ 11,634	\$ 12,931	\$ 12,782
Total Disbursements	-11,634	-12,931	-12,782
Cash Balance, Ending	\$ 4,014	\$ 591	\$ 317

Emergency Medical Services Operating Fund

The fund was created by the Emergency Medical Services Act, Act 45 of 1985, to assist in activities relating to the prevention and reduction of premature death and disability in the commonwealth; to provide assistance, coordination and support of the development and maintenance of the comprehensive emergency medical services system; to determine qualifications, eligibility and certification of emergency medical services personnel; and to fund ambulance services. Revenue is derived from a \$10 fine levied on all moving traffic violations and a \$25 fee imposed on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol. The initial legislation that supported the revenue for these programs expired on January 1, 2014. Act 126 of 2013 restored the \$10 surcharge funding that had been set to expire on January 1, 2014.

These fines are in addition to other fines imposed at the discretion of the court. This statement includes both the Emergency Medical and Catastrophic Medical and Rehabilitation components of the act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 13,376	\$ 12,377	\$ 8,579
Receipts:			
Fines	\$ 12,000	\$ 12,300	\$ 12,300
Interest	305	207	207
Other	381	0	0
Total Receipts	12,686	12,507	12,507
Total Funds Available	\$ 26,062	\$ 24,884	\$ 21,086
Disbursements:			
Health	\$ 13,685	\$ 16,305	\$ 14,150
Total Disbursements	-13,685	-16,305	-14,150
Cash Balance, Ending	\$ 12,377	\$ 8,579	\$ 6,936

Employment Fund for the Blind

This fund was created in 1967 to make loans to persons who are blind to purchase equipment, stock, merchandise and accessories necessary to put into operation vending or refreshment stands or other suitable business enterprises in suitable locations to be leased or arranged for by state agencies. Act 15 of 1999 transferred the authority to administer the fund from the Department of Human Services to the Department of Labor and Industry.

Monies credited to this fund include: (1) repayment of money advanced to persons who are blind for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by persons who are blind for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Labor and Industry; (3) a percentage of the profits from vending machines in state buildings where a restaurant or cafeteria is operated by the Department of General Services; and (4) any grants or contributions from the federal government.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,137	\$ 2,083	\$ 1,994
Receipts:			
Vending Stand Equipment Rentals	\$ 489	\$ 241	\$ 241
Vending Machine Receipts	280	466	466
Interest	4	4	4
Total Receipts	773	711	711
Total Funds Available	\$ 2,910	\$ 2,794	\$ 2,705
Disbursements:			
Labor and Industry.....	\$ 827	\$ 800	\$ 800
Total Disbursements	-827	-800	-800
Cash Balance, Ending.....	\$ 2,083	\$ 1,994	\$ 1,905

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 4,629	\$ 4,849	\$ 1,919
Receipts:			
Loan Principal and Interest Repayments.....	\$ 118	\$ 78	\$ 0
PEDA Application Fee	27	0	0
Interest	107	83	83
Total Receipts	252	161	83
Total Funds Available	\$ 4,881	\$ 5,010	\$ 2,002
Disbursements:			
Environmental Protection.....	\$ 32	\$ 3,091	\$ 429
Total Disbursements	-32	-3,091	-429
Cash Balance, Ending	\$ 4,849	\$ 1,919	\$ 1,573

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 830	\$ 815	\$ 661
Receipts:			
Transfers from Other Funds.....	\$ 664	\$ 924	\$ 658
Interest.....	2	1	1
Total Receipts	666	925	659
Total Funds Available	\$ 1,496	\$ 1,740	\$ 1,320
Disbursements:			
Conservation and Natural Resources.....	\$ 157	\$ 165	\$ 165
Environmental Protection	524	914	725
Total Disbursements	-681	-1,079	-890
Cash Balance, Ending	\$ 815	\$ 661	\$ 430

Environmental Stewardship Fund

The Environmental Stewardship Fund is a special revenue fund composed of monies from certain landfill fees. The fund provides for farmland preservation projects, open space protection, abandoned mine reclamation, watershed protection and restoration, water and sewer infrastructure and the improvement and conservation of commonwealth and community parks and recreational facilities. The fund originally received revenue from a 25 cent per ton, or 25 cent per three cubic yards, fee for all solid waste received at a landfill in the commonwealth. Act 90 of 2002 added an additional \$4 per ton disposal fee for all solid waste disposed of at any municipal waste landfill. For 2002-03, the first \$50 million received from this fee was deposited into this special fund. In 2003-04, and thereafter, all revenue from these fees is deposited in this special fund. Act 13 of 2012 authorized an annual transfer from the Marcellus Legacy Fund into the Environmental Stewardship Fund. The pending 2015-16 Fiscal Code (HB1327) would modify the transfer from the Marcellus Legacy Fund going into the Environmental Stewardship Fund, as well as the 2015-16 disbursement amounts (other than Treasury Debt Service) for each participating agency. These anticipated changes are reflected below.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 68,051	\$ 84,947	\$ 0
Receipts:			
Licenses and Fees.....	\$ 68,106	\$ 65,400	\$ 65,400
Transfer from Marcellus Legacy Fund.....	43,220	26,740 ^a	41,711
Interest.....	1,296	1,292	1,292
Total Receipts	112,622	93,432	108,403
Total Funds Available	\$ 180,673	\$ 178,379	\$ 108,403
Disbursements:			
Treasury:			
Debt Service for Growing Greener.....	\$ 40,259	\$ 36,304	\$ 36,314
Agriculture:			
Agricultural Conservation Easement Program.....	9,773	13,097	10,670
Conservation and Natural Resources:			
Community Conservation Grants.....	4,142	26,284	4,174
Park and Forest Facility Rehabilitation.....	8,329	13,217	12,833
Natural Diversity Conservation Grants.....	245	1,127	366
Environmental Protection:			
Watershed Protection and Restoration.....	16,854	71,899	26,961
Abandoned Mine Reclamation and Remediation.....	474	624	0
Infrastructure Investment Authority:			
Stormwater, Water and Sewer Grants	15,650	15,827	17,085
Total Disbursements	-95,726	-178,379	-108,403
Cash Balance, Ending	\$ 84,947	\$ 0	\$ 0

^a Amount reflects reduced transfer in HB1327 (Fiscal Code), including modified distribution percentages.

Farm Products Show Fund

The Farm Products Show Fund is a special revenue fund composed of monies received from the leasing of space to exhibitors and from rental, entry fees and other monies received or collected by the Farm Products Show Commission. It also includes a transfer from the PA Race Horse Development Fund. The fund is used for salaries and expenses of the Farm Products Show Commission, for the maintenance of the Farm Show Building and for prizes and premiums. The pending 2015-16 Fiscal Code (HB1327) reflects a transfer from the PA Race Horse Development Fund. The anticipated change is reflected below.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,123	\$ 1,318	\$ 977
Receipts:			
Transfer from PA Race Horse Development Fund.....	\$ 4,000	\$ 5,000 ^a	\$ 5,000
Rentals.....	3,217	2,969	3,050
Parking.....	596	1,837	2,182
Exhibit Fees.....	383	335	345
Service Charges.....	897	607	612
Concession.....	1,803	965	989
Interest.....	5	2	2
Other.....	113	187	287
Total Receipts	11,014	11,902	12,467
Total Funds Available	\$ 12,137	\$ 13,220	\$ 13,444
Disbursements:			
Agriculture.....	\$ 10,819	\$ 12,243	\$ 12,639
Total Disbursements	-10,819	-12,243	-12,639
Cash Balance, Ending	\$ 1,318	\$ 977	\$ 805

^a Amount reflects transfer in HB1327 (Fiscal Code).

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 84,091	\$ 80,939	\$ 77,907
Receipts:			
Tax Payable to Municipalities.....	\$ 81,159	\$ 81,968	\$ 82,788
Total Receipts	81,159	81,968	82,788
Total Funds Available	\$ 165,250	\$ 162,907	\$ 160,695
Disbursements:			
Auditor General.....	\$ 84,311	\$ 85,000	\$ 82,134
Total Disbursements	-84,311	-85,000	-82,134
Cash Balance, Ending	\$ 80,939	\$ 77,907	\$ 78,561

Fish Fund

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

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 66,631	\$ 64,295	\$ 53,464
Receipts:			
Licenses and Fees.....	\$ 26,170	\$ 26,164	\$ 26,164
Fines and Penalties.....	402	400	400
Restricted Funds.....	3,064	3,000	3,000
Federal Receipts.....	6,817	9,788	7,257
H2O PA Program.....	1,656	11,000	0
Interest.....	1,009	928	928
Sale of Goods.....	133	151	151
Sale of Publications.....	11	10	10
Other.....	1,261	1,056	1,056
Total Receipts	40,523	52,497	38,966
Total Funds Available	\$ 107,154	\$ 116,792	\$ 92,430
Disbursements:			
Fish and Boat Commission.....	\$ 42,859	\$ 63,328	\$ 41,281
Total Disbursements	-42,859	-63,328	-41,281
Cash Balance, Ending	\$ 64,295	\$ 53,464	\$ 51,149

Game Fund

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

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 39,181	\$ 36,539	\$ 24,840
Receipts:			
Licenses and Fees.....	\$ 40,688	\$ 36,677	\$ 35,786
Fines and Penalties.....	1,571	1,580	1,605
Gas and Oil Leases.....	21,853	25,700	15,000
Federal Receipts.....	25,320	27,144	28,061
Habitat License Fee Transfer.....	7,500	7,500	7,500
Interest.....	1,012	639	639
Sale of Goods.....	1,058	806	826
Sale of Wood Products.....	5,578	6,900	7,500
Sale of Publications.....	663	611	611
Other.....	3,880	1,062	1,089
Total Receipts	109,123	108,619	98,617
Total Funds Available	\$ 148,304	\$ 145,158	\$ 123,457
Disbursements:			
Game Commission.....	\$ 111,765	\$ 120,318	\$ 107,479
Total Disbursements	-111,765	-120,318	-107,479
Cash Balance, Ending	\$ 36,539	\$ 24,840	\$ 15,978

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,848	\$ 1,570	\$ 961
Receipts:			
Donations - State Income Tax Forms	\$ 15	\$ 15	\$ 15
Donations - Driver's License Applicants	239	239	239
Donations - Motor Vehicle Registrations	496	496	496
Donations - Private	50	5	5
Interest	3	3	3
Total Receipts	803	758	758
Total Funds Available	\$ 2,651	\$ 2,328	\$ 1,719
Disbursements:			
Education.....	\$ 207	\$ 285	\$ 200
Health.....	874	1,082	964
Total Disbursements	-1,081	-1,367	-1,164
Cash Balance, Ending	\$ 1,570	\$ 961	\$ 555

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 33,495	\$ 36,373	\$ 32,149
Receipts:			
Referendum Bonds.....	\$ 30,000	\$ 20,000	\$ 6,000
Premium/Discount on Sale of Bonds.....	1,750	0	0
Interest.....	42	0	0
Total Receipts	31,792	20,000	6,000
Total Funds Available	\$ 65,287	\$ 56,373	\$ 38,149
Disbursements:			
Treasury	\$ 0	\$ 23	\$ 13
Agriculture:			
Purchase of County Easements.....	0	100	100
Community and Economic Development:			
Main Street Downtown Development.....	1,525	1,500	1,200
Industrial Sites Reuse.....	1,082	1,500	1,500
Conservation and Natural Resources:			
Parks & Recreation Improvements.....	450	1,000	1,000
State Parks/Forest Projects.....	4,449	8,500	9,500
Open Space Conservation.....	17,140	651	0
Environmental Protection:			
Authority Projects.....	100	3,000	3,000
Environmental Improvement Projects.....	1,552	1,500	2,000
Acid Mine Drainage Abatement.....	440	1,000	750
Fish and Boat Commission:			
Capital Improvement Projects.....	2,789	4,800	500
Game Commission:			
Capital Improvement Projects.....	-613	650	42
Total Disbursements	-28,914	-24,224	-19,605
Cash Balance, Ending	\$ 36,373	\$ 32,149	\$ 18,544

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from Environmental Stewardship Fund.....	\$ 40,200	\$ 36,304	\$ 36,314
Build America Bond Federal Subsidies.....	1,170	1,295	1,297
Interest.....	1	0	0
Total Receipts	41,371	37,599	37,611
Total Funds Available	\$ 41,371	\$ 37,599	\$ 37,611
Disbursements:			
Treasury.....	\$ 41,371	\$ 37,599	\$ 37,611
Total Disbursements	-41,371	-37,599	-37,611
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Hazardous Material Response Fund

The Hazardous Material Response Fund was created by Act 165 of 1990 and amended by Act 121 of 2000 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training hazardous material response teams, public education programs, grants to counties for SARA Title III activities, cost recovery grants, facility and vehicle inspections, testing, and administration of the program including data collection and management.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 3,048	\$ 2,724	\$ 2,180
Receipts:			
Toxic Chemical Release Form Fee	\$ 1,095	\$ 1,000	\$ 1,000
Chemical Inventory Fee	373	350	350
Interest	56	50	50
Total Receipts	1,524	1,400	1,400
Total Funds Available	\$ 4,572	\$ 4,124	\$ 3,580
Disbursements:			
Emergency Management.....	\$ 1,843	\$ 1,924	\$ 1,900
Labor and Industry.....	5	20	20
Total Disbursements	-1,848	-1,944	-1,920
Cash Balance, Ending	\$ 2,724	\$ 2,180	\$ 1,660

Hazardous Sites Cleanup Fund

This fund was created by Act 58 of 1987 to finance the cleanup and restoration of abandoned hazardous waste sites in the commonwealth. Expenditures from this fund are for cleaning up abandoned hazardous waste sites throughout the commonwealth and restoring the land to productive use. Revenue is generated from a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Prior to 2002-03, the fund received one-quarter mill of the Capital Stock and Franchise Tax. Act 77 of 2007 provided for a one-time transfer in 2007-08 of monies lapsed from certain appropriations within the Legislative Department. Beginning in 2008-09, the act also included an annual transfer to the fund of \$40 million of revenue received from the Capital Stock and Franchise Tax. Act 13 of 2012 includes an annual transfer from the Marcellus Legacy Fund beginning in 2014-15. The Capital Stock and Franchise Tax was eliminated on January 1, 2016.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Total Cash Balance, Beginning.....	\$ 62,027	\$ 73,130	\$ 57,231
Receipts:			
Capital Stock and Franchise Tax.....	\$ 40,000	\$ 40,000	\$ 4,100
Transfer from Marcellus Legacy Fund.....	4,110	8,370	18,355
Hazardous Waste Fee.....	1,927	1,700	1,700
Cost Recovery.....	2,384	1,539	1,538
Interest.....	576	671	671
Other.....	5	0	0
Total Receipts	49,002	52,280	26,364
Total Funds Available	\$ 111,029	\$ 125,410	\$ 83,595
Disbursements:			
Environmental Protection.....	\$ 33,524	\$ 63,159	\$ 50,608
Transfer to Industrial Sites Environmental Assessment Fund.....	2,000	2,000	2,000
Transfer to Industrial Sites Cleanup Fund.....	1,500	2,000	2,000
Transfer to Household Hazardous Waste Account.....	875	1,000	1,000
Valley Forge Superfund.....	0	20	0
Total Disbursements	-37,899	-68,179	-55,608
Cash Balance, Ending	\$ 73,130	\$ 57,231	\$ 27,987

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 37,186	\$ 63,931	\$ 62,902
Receipts:			
Transfer from General Fund	\$ 391,475	\$ 353,563	\$ 353,663
Investment Earnings	743	750	750
Federal Revenue.....	1,572	1,551	1,552
Other.....	91,333	120,646	131,166
Total Receipts	485,123	476,510	487,131
Total Funds Available	\$ 522,309	\$ 540,441	\$ 550,033
Disbursements:			
Higher Education Assistance Agency.....	\$ 458,378	\$ 477,539	\$ 477,537
Total Disbursements	-458,378	-477,539	-477,537
Cash Balance, Ending	\$ 63,931	\$ 62,902	\$ 72,496

Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Highway beautification activities are supported by licenses, fees, fines, penalties and interest. Activities include the regulating of outdoor advertising and junkyards.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 733	\$ 792	\$ 687
Receipts:			
Licenses and Fees.....	\$ 351	\$ 310	\$ 310
Interest.....	1	2	2
Total Receipts	352	312	312
Total Funds Available	\$ 1,085	\$ 1,104	\$ 999
Disbursements:			
Transportation.....	\$ 293	\$ 417	\$ 408
Total Disbursements	-293	-417	-408
Cash Balance, Ending	\$ 792	\$ 687	\$ 591

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 3,260	\$ 3,482	\$ 3,368
Receipts:			
Admission Fees.....	\$ 1,094	\$ 1,150	\$ 1,175
Interest	6	7	7
Other.....	875	500	500
Total Receipts	1,975	1,657	1,682
Total Funds Available	\$ 5,235	\$ 5,139	\$ 5,050
Disbursements:			
Historical and Museum Commission.....	\$ 1,753	\$ 1,771	\$ 1,856
Total Disbursements	-1,753	-1,771	-1,856
Cash Balance, Ending	\$ 3,482	\$ 3,368	\$ 3,194

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 32	\$ 10	\$ 0
Receipts:			
Federal Revenue.....	\$ 888	\$ 3,029	\$ 3,000
Total Receipts	888	3,029	3,000
Total Funds Available	\$ 920	\$ 3,039	\$ 3,000
Disbursements:			
Community and Economic Development.....	\$ 910	\$ 3,039	\$ 3,000
Total Disbursements	-910	-3,039	-3,000
Cash Balance, Ending	\$ 10	\$ 0	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 31,187	\$ 19,281	\$ 6,722
Receipts:			
Interest.....	\$ 39	\$ 19	\$ 20
Total Receipts	39	19	20
Total Funds Available	\$ 31,226	\$ 19,300	\$ 6,742
Disbursements:			
Pennsylvania Housing Finance Agency.....	\$ 10,800	\$ 10,800	\$ 6,068
Attorney General.....	545	1,178	337
Transfer to Access to Justice Account.....	600	600	337
Total Disbursements	-11,945	-12,578	-6,742
Cash Balance, Ending	\$ 19,281	\$ 6,722	\$ 0

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. Act 58 of 2015 provides for additional funding to be transferred to this fund based on the amount of Realty Transfer Tax (RTT) received yearly.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 5,001	\$ 3	\$ 0
Receipts:			
Transfer from Unconventional Gas Well Fund.....	\$ 13,041	\$ 9,647	\$ 5,000
Transfer from the General Fund - Realty Transfer Tax.....	0	0	13,400
Interest.....	2	1	1
Total Receipts	13,043	9,648	18,401
Total Funds Available	\$ 18,044	\$ 9,651	\$ 18,401
Disbursements:			
Pennsylvania Housing Finance Agency.....	\$ 18,041	\$ 9,651	\$ 18,401
Total Disbursements	-18,041	-9,651	-18,401
Cash Balance, Ending	\$ 3	\$ 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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 47	\$ 47	\$ 47
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 47	\$ 47	\$ 47
Disbursements:			
Community and Economic Development.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 47	\$ 47	\$ 47

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 19,973	\$ 18,595	\$ 11,801
Receipts:			
Loan Principal and Interest Repayments.....	\$ 875	\$ 800	\$ 800
Transfer from Hazardous Sites Cleanup Fund.....	1,712	2,000	2,000
Interest.....	286	226	226
Other.....	1	0	0
Total Receipts	2,874	3,026	3,026
Total Funds Available	\$ 22,847	\$ 21,621	\$ 14,827
Disbursements:			
Community and Economic Development.....	\$ 4,252	\$ 9,820	\$ 5,614
Total Disbursements	-4,252	-9,820	-5,614
Cash Balance, Ending	\$ 18,595	\$ 11,801	\$ 9,213

Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the commonwealth to prevent, combat and reduce insurance fraud, by improving and supporting insurance fraud law enforcement, prosecutions and prevention. The source of funds includes assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania, fines and penalties, and interest earnings.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,273	\$ 5,412	\$ 838
Receipts:			
Assessments, Fines and Penalties.....	\$ 13,466	\$ 13,725	\$ 14,094
Interest.....	10	7	7
Total Receipts	13,476	13,732	14,101
Total Funds Available	\$ 14,749	\$ 19,144	\$ 14,939
Disbursements:			
Insurance Fraud Prevention Authority.....	\$ 9,337	\$ 18,306	\$ 14,516
Total Disbursements	-9,337	-18,306	-14,516
Cash Balance, Ending	\$ 5,412	\$ 838	\$ 423

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.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 68,456	\$ 67,645	\$ 68,775
Receipts:			
Interest	\$ 1,440	\$ 1,130	\$ 1,130
Other.....	345	0	0
Total Receipts	1,785	1,130	1,130
Total Funds Available	\$ 70,241	\$ 68,775	\$ 69,905
Disbursements:			
Insurance	\$ 2,596	\$ 0	\$ 0
Total Disbursements	-2,596	0	0
Cash Balance, Ending	\$ 67,645	\$ 68,775	\$ 69,905

Insurance Regulation and Oversight Fund

This fund was established by Act 46 of 2013 to provide for the Insurance Department's regulation, management, development and oversight of the commonwealth's insurance industry.

The Insurance Regulation and Oversight Fund will receive 50 percent of all licenses and fees collected by the Insurance Department, all augmentations and reimbursements made to the department by regulated entities and in 2013-14, 100 percent of all penalties, fines, assessments, and settlements. The surcharge moving vehicle violations will remain in the General Fund. This fund will be used by the department in lieu of a General Government Operations appropriation from the General Fund.

At the end of the fiscal year, the fund retains an amount equal to no more than 100% of the total expenditures and commitments by the department from the immediately preceding fiscal year. If the balance in the fund at the end of the fiscal year exceeds the retention amount, then that amount of excess funds is to be returned to the General Fund within 30 days of the end of the fiscal year.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 26,197	\$ 29,142	\$ 9,473
Receipts:			
Licenses and Fees.....	\$ 28,817	\$ 27,366	\$ 27,957
Interest.....	32	40	25
Other.....	1,099	800	800
Return to General Fund.....	-6,448	-8,871	0
Total Receipts	23,500	19,335	28,782
Total Funds Available	\$ 49,697	\$ 48,477	\$ 38,255
Disbursements:			
Insurance	\$ 20,555	\$ 26,004	\$ 24,850
Transfer to General Fund	0	13,000	0
Total Disbursements	-20,555	-39,004	-24,850
Cash Balance, Ending	\$ 29,142	\$ 9,473	\$ 13,405

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 354	\$ 355	\$ 356
Receipts:			
Transfer from Special Administration Fund.....	\$ 152	\$ 5,000	\$ 5,000
Interest.....	1	1	1
Total Receipts	153	5,001	5,001
Total Funds Available	\$ 507	\$ 5,356	\$ 5,357
Disbursements:			
Labor and Industry.....	\$ 152	\$ 5,000	\$ 5,000
Total Disbursements	-152	-5,000	-5,000
Cash Balance, Ending	\$ 355	\$ 356	\$ 357

Justice Reinvestment Fund

The Justice Reinvestment Fund was created by Act 196 of 2012 to support programs and activities that will improve the delivery of criminal justice services within the commonwealth. Funding is derived from savings to the State Correctional Institutions 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 to the Pennsylvania Commission on Crime and Delinquency and the Pennsylvania Commission on Sentencing. Amounts remaining in the fund after these disbursements are distributed by formula to various JRI programs.

Disbursements fund various state and county programs, such as victim services; offender risk assessment modeling; county probation grants; county innovative policing and contracts to divert short- and medium-minimum offenders from incarceration; state parole processes and coordinated safe community reentry programs.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 19	\$ 310	\$ 6
Receipts:			
Transfer from General Fund.....	\$ 991	\$ 2,953	\$ 9,178
Interest.....	1	5	5
Total Receipts	992	2,958	9,183
Total Funds Available	\$ 1,011	\$ 3,268	\$ 9,189
Disbursements:			
PA Commission on Crime and Delinquency.....	\$ 569	\$ 2,230	\$ 6,374
PA Commission on Sentencing.....	132	551	400
Corrections & Rehabilitation.....	0	481	2,415
Total Disbursements	-701	-3,262	-9,189
Cash Balance, Ending	\$ 310	\$ 6	\$ 0

Keystone Recreation, Park and Conservation Fund

The Keystone Recreation, Park and Conservation Fund is a special fund composed of monies from the sale of specific bonds and certain tax revenues. This fund provides for increased acquisitions, improvements and expansions of commonwealth and community parks, recreation facilities, historic sites, zoos, public libraries, nature preserves and wildlife habitats.

Act 50 of 1993 approved the transfer of 15 percent of revenues from the state Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Total Cash Balance, Beginning.....	\$ 101,076	\$ 118,773	\$ 0
Receipts:			
Realty Transfer Tax.....	\$ 71,841	\$ 84,882	\$ 93,512
Interest.....	2,103	1,874	1,874
Total Receipts	73,944	86,756	95,386
Total Funds Available.....	\$ 175,020	\$ 205,529	\$ 95,386
Disbursements:			
Conservation and Natural Resources.....	\$ 31,770	\$ 149,908	\$ 62,002
Education.....	16,041	28,744	20,984
Historical and Museum Commission.....	8,436	26,877	12,400
Total Disbursements	-56,247	-205,529	-95,386
Cash Balance, Ending	\$ 118,773	\$ 0	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 97	\$ 92	\$ 0
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 97	\$ 92	\$ 0
Disbursements:			
Environmental Protection	\$ 5	\$ 92	\$ 0
Total Disbursements	-5	-92	0
Cash Balance, Ending	\$ 92	\$ 0	\$ 0

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 provide the revenues to the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 18	\$ 18	\$ 0
Receipts:			
Remining Financial Assurance Assist Fund Interest Return.....	\$ 0	\$ -18	\$ 0
Total Receipts	0	-18	0
Total Funds Available	\$ 18	\$ 0	\$ 0
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 18	\$ 0	\$ 0

Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 to assist in funding the local roads system. Through December 2013, one-half cent per gallon of gasoline and diesel fuel taxes was deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. Beginning January 2014, per Act 89 of 2013, a new millage rate replaced the one-half cent per gallon on gasoline and diesel fuel tax. The new rate is 4.17% of the mills imposed under Title 75, Section 9502 (A) (5). After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions. To streamline payments to counties, the Department of Revenue delegated the authority for these payments and attendant expenses to the Department of Transportation effective in 1999-00.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 3,692	\$ 4,930	\$ 5,093
Receipts:			
Tax on Gasoline	\$ 24,267	\$ 25,334	\$ 25,499
Tax on Diesel Fuel	6,860	6,897	6,958
Total Receipts	31,127	32,231	32,457
Total Funds Available	\$ 34,819	\$ 37,161	\$ 37,550
Disbursements:			
Transfer to Boat Fund.....	\$ 0	\$ 169	\$ 100
Transportation.....	29,889	31,899	32,319
Total Disbursements.....	-29,889	-32,068	-32,419
Cash Balance, Ending.....	\$ 4,930	\$ 5,093	\$ 5,131

Liquor License Fund

The Liquor License Fund serves as a pass-through account for liquor and/or beer license fees from hotels, restaurants and clubs. These fees are returned semi-annually to the municipalities in which the licenses are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,374	\$ 2,297	\$ 2,228
Receipts:			
License Fees.....	\$ 4,483	\$ 4,510	\$ 4,573
Other.....	6	0	0
Total Receipts	4,489	4,510	4,573
Total Funds Available	\$ 6,863	\$ 6,807	\$ 6,801
Disbursements:			
Liquor Control Board.....	\$ 4,566	\$ 4,579	\$ 4,654
Total Disbursements	-4,566	-4,579	-4,654
Cash Balance, Ending	\$ 2,297	\$ 2,228	\$ 2,147

Local Cigarette Tax Fund

The Local Cigarette Tax Fund is a fiduciary fund composed of monies received from the collection of a local option cigarette tax in cities of the first class. Act 131 of 2014 allows a school district, when authorized by the governing body of a first class city (Philadelphia), to impose and assess an excise tax on the sale or possession of cigarettes at the rate of \$0.10 per cigarette. This tax is only assessed on cigarettes currently subject to a levy under Article XII of the Tax Reform Code of 1971. The authorization for this cigarette tax shall expire on June 30, 2019. The Department of Revenue is authorized to retain the sum of the costs of collections.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	Actual Actual	Available Available	Estimated Estimated
Cash Balance, Beginning	\$ 0	\$ 5,299	\$ 0
Receipts:			
Philadelphia Cigarette Tax Collections.....	\$ 51,073	\$ 62,000	\$ 60,400
Interest.....	4	7	7
Offset Department of Revenue Collection Costs.....	-829	-1,100	-1,200
Total Receipts	50,248	60,907	59,207
Total Funds Available	\$ 50,248	\$ 66,206	\$ 59,207
Disbursements:			
Distribution to the Philadelphia School District.....	\$ 44,949	\$ 66,206	\$ 59,207
Total Disbursements	-44,949	-66,206	-59,207
Cash Balance, Ending	\$ 5,299	\$ 0	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 260	\$ 176	\$ 41
Receipts:			
Transfer from General Fund	\$ 91	\$ 0	\$ 100
Interest	1	1	0
Total Receipts	92	1	100
Total Funds Available	\$ 352	\$ 177	\$ 141
Disbursements:			
Treasury.....	\$ 176	\$ 136	\$ 141
Total Disbursements	-176	-136	-141
Cash Balance, Ending	\$ 176	\$ 41	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 3,268	\$ 3,434	\$ 2,699
Receipts:			
Loan Principal and Interest Repayments.....	\$ 298	\$ 300	\$ 300
Interest	7	7	7
Total Receipts	305	307	307
Total Funds Available	\$ 3,573	\$ 3,741	\$ 3,006
Disbursements:			
Community and Economic Development.....	\$ 139	\$ 1,042	\$ 1,000
Total Disbursements	-139	-1,042	-1,000
Cash Balance, Ending	\$ 3,434	\$ 2,699	\$ 2,006

Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity. The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund. It is now funded from loan repayments, transfers from the General Fund, Small Business First Fund, and interest earnings. Act 22 of 2004 required the Commonwealth Financing Authority to transfer \$75 million in bond proceeds to the Department of Community and Economic Development for deposit in the fund. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 115,799	\$ 32,217	\$ 23,703
Receipts:			
Loan Principal and Interest Repayments.....	\$ 12,533	\$ 13,000	\$ 13,000
Loan Service Fees.....	42	30	30
Other.....	38	30	30
Interest.....	365	291	291
Treasury Realized Gain.....	8,069	0	0
Total Receipts	21,047	13,351	13,351
Total Funds Available	\$ 136,846	\$ 45,568	\$ 37,054
Disbursements:			
Community and Economic Development.....	\$ 19,629	\$ 21,865	\$ 11,778
Transfer to General Fund.....	85,000	0	0
Total Disbursements	-104,629	-21,865	-11,778
Cash Balance, Ending	\$ 32,217	\$ 23,703	\$ 25,276

Manufacturing Fund

The Manufacturing Fund, created in 1915, is a self-sustaining enterprise providing institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations. Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages and other costs related to the sale and manufacture of their products.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 22,890	\$ 20,919	\$ 9,636
Receipts:			
Sale of Products.....	\$ 72,010	\$ 72,692	\$ 73,519
Interest.....	422	329	329
Total Receipts	72,432	73,021	73,848
Total Funds Available	\$ 95,322	\$ 93,940	\$ 83,484
Disbursements:			
Corrections & Rehabilitation.....	\$ 74,403	\$ 84,304	\$ 80,401
Total Disbursements	-74,403	-84,304	-80,401
Cash Balance, Ending	\$ 20,919	\$ 9,636	\$ 3,083

Marcellus Legacy Fund

This fund was created by Act 13 of 2012 to provide for the distribution of unconventional gas well impact fees to counties, municipalities, and commonwealth agencies. The fee revenue will be used for statewide initiatives in the areas of acid mine drainage abatement, gas well management and plugging, development and rehabilitation of greenways and recreational trails, sewage treatment projects, replacement and repair of deteriorated bridges in municipalities with unconventional gas wells. Receipts deposited into the Marcellus Legacy Fund come from transfers from the Unconventional Gas Well Fund and the Oil and Gas Lease Fund. The pending 2015-16 Fiscal Code (HB1327) would modify the Transfer from the Oil and Gas Lease Fund as well as some of the disbursements. These anticipated changes are reflected below.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 64,123	\$ 15,933	\$ 519
Receipts:			
Transfer from Unconventional Gas Well Fund.....	\$ 82,200	\$ 67,403	\$ 67,108
Transfer from Oil and Gas Lease Fund.....	35,000	25,000	50,000
Interest.....	59	35	35
Total Receipts	117,259	92,438	117,143
Total Funds Available	\$ 181,382	\$ 108,371	\$ 117,662
Disbursements:			
Public Utility Commission:			
County Grants.....	\$ 12,330	\$ 10,110	\$ 10,066
Transfer to Commonwealth Financing Authority.....	32,860	13,481	13,422
Transfer to Commonwealth Financing Authority-H2O.....	20,538	11,000 ^a	8,389
Community and Economic Development.....	7,694	0	0
Environmental Protection.....	3,609	10,300	0
PENNVEST.....	20,538	11,000 ^a	8,389
Transfer to Highway Bridge Improvement.....	20,550	16,851	16,777
Transfer to Environmental Stewardship Fund.....	43,220	26,740 ^a	41,711
Transfer to Hazardous Sites Cleanup Fund.....	4,110	8,370	18,355
Total Disbursements	-165,449	-107,852	-117,109
Cash Balance, Ending	\$ 15,933	\$ 519	\$ 553

^a Amounts reflect changes in accordance with the 2015-16 Fiscal Code (HB1327).

Medical Care Availability and Reduction of Error Fund

Act 13 of 2002, the Medical Care Availability and Reduction of Error (Mcare) Act, established the Medical Care Availability and Reduction of Error Fund and transferred to it the assets, liabilities, rights and responsibilities of the Medical Professional Liability Catastrophe Loss Fund effective October 15, 2002. The Mcare Fund is used to pay claims against participating health care providers for losses or damages awarded in medical professional liability actions against them in excess of the basic insurance coverage required by the act. In addition to the transfer of assets from the Medical Professional Liability Catastrophe Loss Fund, revenue includes an assessment on health care providers. Beginning in 2004, the moving violation surcharge revenue that accrued to the Catastrophic Loss Benefits Continuation Fund accrues to this fund for a period of ten years. Act 50 of 2009 provided that \$100 million be transferred from the fund to the General Fund in 2009-10 and redirected the moving violation surcharge to the General Fund for 2009-10 and 2010-11. Act 26 of 2011 redirected the surcharge to the General Fund for 2011-12 and for each fiscal year thereafter.

In October 2014 it was announced that there was a settlement agreement with the Pennsylvania Medical Society (PAMED), The Hospital & Healthsystem Association of Pennsylvania (HAP) and the Pennsylvania Podiatric Medical Association, which together challenged the state's transfer of \$100 million from Mcare to the General Fund and the assessment calculation formula. The settlement resolution states that health care providers will be reimbursed approximately \$139 million from an Assessment Relief Fund representing a portion of their assessment payments in 2009-2012 and 2014. In addition, starting in 2015, there will be a new assessment calculation formula that will reduce Mcare assessments by \$61 million from the projected 2014 year-end fund balance. The settlement also states that Pennsylvania will retain the \$100 million that was transferred out of the fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 247,708	\$ 280,166	\$ 85,840
Receipts:			
Assessments.....	\$ 190,402	\$ 140,000	\$ 178,000
Interest	9,134	2,850	400
Other.....	100	100	100
Total Receipts	199,636	142,950	178,500
Total Funds Available	\$ 447,344	\$ 423,116	\$ 264,340
Disbursements:			
Insurance.....	\$ 167,178	\$ 198,263	\$ 196,853
Assessment Relief Payment.....	0	139,013	0
Total Disbursements	-167,178	-337,276	-196,853
Cash Balance, Ending	\$ 280,166	\$ 85,840 ^a	\$ 67,487 ^a

^a Ending balance includes \$30M in the Mcare reserve account.

Milk Marketing Fund

The Milk Marketing Fund is a special revenue fund composed of monies received from license fees, fines, penalties and permits relating to the milk industry. The purpose of this fund is to provide for the operation of the Milk Marketing Board and to serve as a depository for money due dairy farmers from underpayments by milk dealers.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 4,006	\$ 3,919	\$ 3,414
Receipts:			
License and Fees	\$ 2,474	\$ 2,393	\$ 2,393
Fines and Penalties.....	5	5	5
Interest.....	6	7	7
Total Receipts	2,485	2,405	2,405
Total Funds Available	\$ 6,491	\$ 6,324	\$ 5,819
Disbursements:			
Milk Marketing Board.....	\$ 2,572	\$ 2,910	\$ 2,840
Total Disbursements	-2,572	-2,910	-2,840
Cash Balance, Ending	\$ 3,919	\$ 3,414	\$ 2,979

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 113	\$ 95	\$ 94
Receipts:			
Fines and Penalties.....	\$ 44	\$ 32	\$ 32
Total Receipts	44	32	32
Total Funds Available	\$ 157	\$ 127	\$ 126
Disbursements:			
Environmental Protection	\$ 62	\$ 33	\$ 10
Total Disbursements	-62	-33	-10
Cash Balance, Ending	\$ 95	\$ 94	\$ 116

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 4,498	\$ 4,416	\$ 3,203
Receipts:			
Loan Principal and Interest Repayments.....	\$ 220	\$ 250	\$ 300
Interest.....	8	9	9
Other.....	3	1	1
Total Receipts	231	260	310
Total Funds Available	\$ 4,729	\$ 4,676	\$ 3,513
Disbursements:			
Community and Economic Development.....	\$ 313	\$ 1,473	\$ 1,330
Total Disbursements	-313	-1,473	-1,330
Cash Balance, Ending	\$ 4,416	\$ 3,203	\$ 2,183

Monetary Penalty Endowments Trust Fund

The Monetary Penalty Endowments Trust Fund is a special revenue fund created by Act 1 of 2013 to deposit monetary penalties assessed to higher education institutions. Fund revenues are comprised of monies from installment payments made by the institutions and interest. Fund expenditures are made by the Pennsylvania Commission on Crime and Delinquency to support child abuse treatment and prevention programs within the commonwealth.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 0	\$ 36,031	\$ 43,332
Receipts:			
NCAA - Penn State Settlement.....	\$ 36,018	\$ 12,000	\$ 0
Interest	13	101	91
Total Receipts.....	36,031	12,101	91
Total Funds Available.....	\$ 36,031	\$ 48,132	\$ 43,423
Disbursements:			
PA Commission on Crime and Delinquency.....	\$ 0	\$ 4,800	\$ 4,800
Total Disbursements.....	0	-4,800	-4,800
Cash Balance, Ending.....	\$ 36,031	\$ 43,332	\$ 38,623

Motor Vehicle Transaction Recovery Fund

The Motor Vehicle Transaction Recovery Fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below \$500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,257	\$ 2,246	\$ 2,205
Receipts:			
Title & Registration Fees.....	\$ 31	\$ 35	\$ 35
Interest	4	4	4
Total Receipts	35	39	39
Total Funds Available	\$ 2,292	\$ 2,285	\$ 2,244
Disbursements:			
Transportation.....	\$ 46	\$ 80	\$ 80
Total Disbursements	-46	-80	-80
Cash Balance, Ending	\$ 2,246	\$ 2,205	\$ 2,164

Multimodal Transportation Fund

The Multimodal Transportation Fund was created by Act 89 of 2013 to provide additional funding for passenger rail, rail freight, ports and waterways, aviation, bicycle and pedestrian facilities, roads and bridges, and other modes of transportation. The program is funded by deposits from the Pennsylvania Turnpike Commission, a portion of certain Motor Vehicle Fees and the Oil Company Franchise Tax.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 17,731	\$ 69,428	\$ 0
Receipts:			
Pennsylvania Turnpike Commission.....	\$ 30,000	\$ 30,000	\$ 30,000
Motor Vehicle Fees.....	67,279	73,733	73,733
Oil Company Franchise Tax.....	0	35,000	35,000
Interest.....	93	133	133
Other.....	10	0	0
Total Receipts.....	97,382	138,866	138,866
Total Funds Available.....	\$ 115,113	\$ 208,294	\$ 138,866
Disbursements:			
Transportation.....	\$ 15,685	\$ 139,962	\$ 78,806
Transfer to Commonwealth Financing Authority.....	30,000	68,332	60,060
Total Disbursements.....	-45,685	-208,294	-138,866
Cash Balance, Ending.....	\$ 69,428	\$ 0	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 254,087	\$ 253,542	\$ 260,948
Receipts:			
Foreign Casualty Insurance Premium Tax.....	\$ 257,179	\$ 260,713	\$ 263,316
Foreign Fire Insurance Premium Tax.....	8,062	9,846	1,675
Interest	278	274	285
Total Receipts	<u>265,519</u>	<u>270,833</u>	<u>265,276</u>
Total Funds Available	\$ 519,606	\$ 524,375	\$ 526,224
Disbursements:			
Auditor General.....	\$ 266,064 ^a	\$ 263,427 ^b	\$ 266,062 ^c
Total Disbursements	<u>-266,064</u>	<u>-263,427</u>	<u>-266,062</u>
Cash Balance, Ending	<u>\$ 253,542</u>	<u>\$ 260,948</u>	<u>\$ 260,162</u>

^a Includes post-retirement payment of \$1,927,548 as authorized by Act 147 of 1988 and \$8,127,070 per Act 64 of 2002.

^b Includes post-retirement payment of \$1,796,718 as authorized by Act 147 of 1988 and \$8,049,303 per Act 64 of 2002.

^c Includes post-retirement payment of \$1,674,766 as authorized by Act 147 of 1988.

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 16,727	\$ 15,794	\$ 8,101
Receipts:			
Transfer from General Fund.....	\$ 4,000	\$ 3,000	\$ 4,000
Loan Principal and Interest Repayments.....	445	450	450
Interest	32	31	31
Total Receipts	<u>4,477</u>	<u>3,481</u>	<u>4,481</u>
Total Funds Available	\$ 21,204	\$ 19,275	\$ 12,582
Disbursements:			
Community and Economic Development.....	\$ 5,410	\$ 11,174	\$ 9,000
Total Disbursements	<u>-5,410</u>	<u>-11,174</u>	<u>-9,000</u>
Cash Balance, Ending	<u>\$ 15,794</u>	<u>\$ 8,101</u>	<u>\$ 3,582</u>

Neighborhood Improvement Zone Fund

This fund was established by Act 50 of 2009. This fund is administered by the State Treasurer and the primary administrator of the program is the Department of Revenue. An entity collecting a local tax within the neighborhood improvement zone shall, within 30 days of the end of a fiscal quarter, submit all the local taxes collected to the State Treasurer for transfer to the fund. Interest income derived from investment of the money in the fund shall be credited by the Treasury Department to the fund. Funds may only be utilized for payment of debt service on bonds issued for the improvement and development of all or any part of the neighborhood improvement zone and the purpose of constructing a facility or facility complex. Funds may not be utilized for purposes of renovating or repairing a facility or facility complex, except for capital maintenance and improvement projects. The reconciliation between the state tax share transferred and the actual liability incurred, could result in the return of the excess state tax share in the subsequent fiscal year.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 3	\$ 12	\$ 0
Receipts:			
State Tax Share.....	\$ 55,913	\$ 56,600	\$ 65,300
State Tax Share Return	-16,283	-17,211	-18,200
Local Tax Share.....	2,299	1,641	1,894
Interest.....	1	0	0
Total Receipts	41,930	41,030	48,994
Total Funds Available	\$ 41,933	\$ 41,042	\$ 48,994
Disbursements:			
Treasury.....	\$ 41,921	\$ 41,042	\$ 48,994
Total Disbursements	-41,921	-41,042	-48,994
Cash Balance, Ending	\$ 12	\$ 0	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 10,214	\$ 10,089	\$ 7,451
Receipts:			
Licenses and Fees.....	\$ 1,959	\$ 1,951	\$ 1,951
Penalties.....	87	80	80
Interest.....	238	174	174
Collateral.....	40	0	0
Forfeiture.....	51	0	0
Payment in Lieu of Bonds.....	128	96	96
Other.....	158	0	0
Total Receipts	2,661	2,301	2,301
Total Funds Available	\$ 12,875	\$ 12,390	\$ 9,752
Disbursements:			
Environmental Protection	\$ 2,786	\$ 4,939	\$ 4,485
Total Disbursements	-2,786	-4,939	-4,485
Cash Balance, Ending	\$ 10,089	\$ 7,451	\$ 5,267

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,939	\$ 1,917	\$ 683
Receipts:			
Transfer from General Fund.....	\$ 2,714	\$ 2,714	\$ 2,714
Interest.....	6	3	3
Fees.....	36	25	50
Fines	1	63	15
Total Receipts	<u>2,757</u>	<u>2,805</u>	<u>2,782</u>
Total Funds Available	\$ 4,696	\$ 4,722	\$ 3,465
Disbursements:			
Agriculture	\$ 832	\$ 1,222	\$ 1,063
Environmental Protection	1,947	2,817	2,073
Total Disbursements	<u>-2,779</u>	<u>-4,039</u>	<u>-3,136</u>
Cash Balance, Ending	\$ 1,917	\$ 683	\$ 329

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. The pending 2015-16 Fiscal Code (HB1327) will modify the transfer to the Marcellus Legacy Fund. The anticipated change is reflected below. The Governor's 2016-17 Budget includes increased landfill disposal tipping fees to be deposited into the Oil and Gas Lease Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 113,839	\$ 61,994	\$ 2,699
Receipts:			
Rents and Royalties.....	\$ 114,812	\$ 60,000	\$ 48,000
Tipping Fee Revenue.....	0	0	35,000
Interest.....	562	697	697
Other.....	80	150	0
Total Receipts	<u>115,454</u>	<u>60,847</u>	<u>83,697</u>
Total Funds Available	\$ 229,293	\$ 122,841	\$ 86,396
Disbursements:			
Conservation and Natural Resources.....	\$ 69,753	\$ 63,210	\$ 36,062
State Parks Operations.....	45,009	21,413	0
State Forests Operations.....	17,537	10,519	0
Transfer to Marcellus Legacy Fund.....	35,000	25,000 ^a	50,000
Total Disbursements	<u>-167,299</u>	<u>-120,142</u>	<u>-86,062</u>
Cash Balance, Ending	\$ 61,994	\$ 2,699	\$ 334

^a Amount reflects reduced transfer in HB1327 (Fiscal Code).

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 7,368	\$ 6,092	\$ 8,754
Receipts:			
Surcharges.....	\$ 4,761	\$ 10,658	\$ 7,580
Contract/Grants.....	543	292	278
Interest	11	12	12
Other	1	0	0
Total Receipts	5,316	10,962	7,870
Total Funds Available	\$ 12,684	\$ 17,054	\$ 16,624
Disbursements:			
Patient Safety Authority.....	\$ 6,592	\$ 8,300	\$ 8,700
Total Disbursements	-6,592	-8,300	-8,700
Cash Balance, Ending	\$ 6,092	\$ 8,754	\$ 7,924

Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund was created by Act 104 of 1984 as a three-year \$190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund and authorization for the fund was eliminated in 1995-96. Activity continues because of the long-term nature of existing projects. Upon completion of project activity, the remaining balance in this fund will be transferred to the General Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,572	\$ 2,824	\$ 80
Receipts:			
Loan Principal and Interest Repayments.....	\$ 247	\$ 250	\$ 250
Interest.....	5	6	6
Total Receipts.....	252	256	256
Total Funds Available.....	\$ 2,824	\$ 3,080	\$ 336
Disbursements:			
Transfer to General Fund.....	\$ 0	\$ 3,000	\$ 0
Total Disbursements.....	0	-3,000	0
Cash Balance, Ending.....	\$ 2,824	\$ 80	\$ 336

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. Funding for this program has been merged into the Department of Human Services.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,142	\$ 3,788	\$ 1,233
Receipts:			
Contracts/Grants/Fees.....	\$ 186	\$ 50	\$ 0
Transfer from General Fund.....	3,850	1,500	-1,233
Interest.....	6	7	0
Total Receipts	4,042	1,557	-1,233
Total Funds Available	\$ 6,184	\$ 5,345	\$ 0
Disbursements:			
Pennsylvania eHealth Partnership Authority.....	\$ 2,396	\$ 4,112	\$ 0
Total Disbursements	-2,396	-4,112	0
Cash Balance, Ending	\$ 3,788	\$ 1,233	\$ 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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 46,800	\$ 38,453	\$ 5,996
Receipts:			
Gross Terminal Revenue Assessments.....	\$ 116,760	\$ 119,209	\$ 120,430
Build America Bonds Federal Interest Subsidy.....	9,144	9,062	8,868
Interest.....	72	65	46
Total Receipts	125,976	128,336	129,344
Total Funds Available	\$ 172,776	\$ 166,789	\$ 135,340
Disbursements:			
Community and Economic Development.....	\$ 77,120	\$ 103,997	\$ 71,200
General Services.....	625	358	5,263 ^a
Transfer to Commonwealth Financing Authority.....	56,578	56,438	56,279
Total Disbursements	-134,323	-160,793	-132,742
Cash Balance, Ending	\$ 38,453	\$ 5,996	\$ 2,598

^a Includes a \$4.493M remaining pledge installment owed by a casino operator that is due on April 1, 2016. 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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 184	\$ 184	\$ 184
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 184	\$ 184	\$ 184
Disbursements:			
Historical and Museum Commission.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 184	\$ 184	\$ 184

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 55,058	\$ 51,173	\$ 38,885
Receipts:			
Loan Principal and Interest Repayments.....	\$ 13,263	\$ 16,937	\$ 13,352
Interest.....	4,000	770	770
Other.....	5	5	5
Total Receipts	17,268	17,712	14,127
Total Funds Available	\$ 72,326	\$ 68,885	\$ 53,012
Disbursements:			
Transportation.....	\$ 21,153	\$ 30,000	\$ 30,000
Total Disbursements	-21,153	-30,000	-30,000
Cash Balance, Ending	\$ 51,173	\$ 38,885	\$ 23,012

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Total Cash Balance, Beginning.....	\$ 2,019,435	\$ 2,092,414	\$ 2,042,589
Receipts:			
Contributions.....	\$ 93,302	\$ 70,693	\$ 76,348
Interest.....	20,081	21,185	22,351
Premium / Discount on Sale of Securities.....	89,984	26,776	28,249
Net Investment Adjustment.....	-19,765	-71,962	88,667
Other.....	250	0	0
Total Receipts	183,852	46,692	215,615
Total Funds Available.....	\$ 2,203,287	\$ 2,139,106	\$ 2,258,204
Disbursements:			
Municipal Retirement Board.....	\$ 110,873	\$ 96,517	\$ 103,273
Total Disbursements	-110,873	-96,517	-103,273
Cash Balance, Ending	\$ 2,092,414	\$ 2,042,589	\$ 2,154,931

Pennsylvania Race Horse Development Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, established the Pennsylvania Race Horse Development Fund to support and advance the commonwealth's horse racing industry. Operating tracks receive a daily assessment as determined by the Department of Revenue. The daily assessment from each licensed gaming entity is based on a formula established in the act, which is capped at 12 percent of an entity's gross terminal revenue for that day. Proceeds are distributed to licensees conducting live horse racing. Track owners deposit 80 percent of the proceeds into a purse account. Thoroughbred tracks commit the remaining proceeds to the Breeders' Fund and a Horseman's Organization Fund. Standardbred tracks commit proceeds to the Sire Stakes Fund, the Pennsylvania Standardbred Breeders Development Fund, and a Horsemen's Organizational Fund. Act 1 of 2010 provided for a transfer from the Pennsylvania Race Horse Development Fund to the General Fund for fiscal years 2009-10 through 2012-13. The pending 2015-16 Fiscal Code (HB1327) would modify the Transfer to the Farm Products Show Fund and the State Racing Fund. These anticipated changes are reflected below. The 2016-17 budget assumes additional transfers to the State Racing Fund to permanently sustain operations.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 3,507	\$ 5,131	\$ 4,951
Receipts:			
Assessments.....	\$ 242,634	\$ 245,410	\$ 245,100
Interest.....	18	22	22
Total Receipts	242,652	245,432	245,122
Total Funds Available	\$ 246,159	\$ 250,563	\$ 250,073
Disbursements:			
Revenue.....	\$ 222,756	\$ 219,650	\$ 214,490
Agriculture.....	13,672	14,862	14,659
Transfer to Farm Products Show Fund.....	4,000	5,000 ^a	5,000
Transfer to Racing Fund.....	600	6,100 ^a	11,000
Total Disbursements	-241,028	-245,612	-245,149
Cash Balance, Ending	\$ 5,131	\$ 4,951	\$ 4,924

^a Amounts reflect increased transfers in HB1327 (Fiscal Code).

Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established the Pennsylvania Veterans Memorial Trust Fund to be administered by the Pennsylvania Veterans Memorial Commission. Revenues come from General Fund appropriations and public or private contributions. Funds were expended to erect a monument to Pennsylvania Veterans who served in armed conflicts in which the United States was a participant. Act 63 of 2002 expanded the use of this fund to include operation and maintenance of the memorial.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 244	\$ 205	\$ 160
Receipts:			
Public and Private Donations.....	\$ 5	\$ 9	\$ 5
Interest	1	1	1
Total Receipts	6	10	6
Total Funds Available	\$ 250	\$ 215	\$ 166
Disbursements:			
Military and Veterans Affairs.....	\$ 45	\$ 55	\$ 50
Total Disbursements	-45	-55	-50
Cash Balance, Ending	\$ 205	\$ 160	\$ 116

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 7,213	\$ 7,230	\$ 21,793
Receipts:			
Referendum Bonds.....	\$ 0	\$ 16,000	\$ 0
Premium on Sale of Bonds.....	0	0	0
Interest.....	\$ 14	\$ 14	\$ 14
Total Receipts	14	16,014	14
Total Funds Available	\$ 7,227	\$ 23,244	\$ 21,807
Disbursements:			
Infrastructure Investment Authority.....	\$ -3	\$ 1,451	\$ 14,307
Total Disbursements	3	-1,451	-14,307
Cash Balance, Ending	\$ 7,230	\$ 21,793	\$ 7,500

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.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 143,423	\$ 153,670	\$ 130,107
Receipts:			
PENNVEST Fund.....	\$ 0	\$ 6,000	\$ 7,400
Federal Funds.....	31,293	72,288	63,591
Transfer from PENNVEST Water Pollution Control Revolving Fund	34,959	20,000	20,000
Loan Principal and Interest Repayments.....	7,966	56,300	61,609
Interest.....	2,482	2,290	2,290
Total Receipts	76,700	156,878	154,890
Total Funds Available	\$ 220,123	\$ 310,548	\$ 284,997
Disbursements:			
Infrastructure Investment Authority.....	\$ 66,453	\$ 180,441	\$ 199,591
Total Disbursements	-66,453	-180,441	-199,591
Cash Balance, Ending	\$ 153,670	\$ 130,107	\$ 85,406

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 232,410	\$ 257,144	\$ 173,158
Receipts:			
Revolving Loan Payments.....	\$ 37,234	\$ 65,000	\$ 65,000
Transfer from Environmental Stewardship Fund.....	15,650	17,457	17,085
Transfer from Marcellus Legacy Fund.....	20,538	11,000	8,389
Interest.....	4,255	4,001	4,001
Other.....	43	50,000	50,000
Total Receipts	77,720	147,458	144,475
Total Funds Available	\$ 310,130	\$ 404,602	\$ 317,633
Disbursements:			
Infrastructure Investment Authority:			
Grants.....	\$ 0	\$ 2,449	\$ 500
Administration.....	1,726	3,457	3,425
Growing Greener Grants.....	7,899	6,667	15,000
Revenue Bond Loan Pool.....	0	10	10
Marcellus Grants.....	3,144	11,000	8,389
Revolving Loans and Administration.....	40,217	207,861	110,000
State Conditional Fund.....	0	0	10,000
Total Disbursements	-52,986	-231,444	-147,324
Cash Balance, Ending	\$ 257,144	\$ 173,158	\$ 170,309

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,199	\$ 733	\$ 2,311
Receipts:			
Transfer from General Fund.....	\$ 16,637	\$ 4,895	\$ 2,112
Interest on Securities.....	16	5	5
Non-Revolving Loan Repayments.....	13,853	13,853	13,853
Total Receipts	30,506	18,753	15,970
Total Funds Available	\$ 32,705	\$ 19,486	\$ 18,281
Disbursements:			
Treasury.....	\$ 31,972	\$ 17,175	\$ 15,913
Total Disbursements	-31,972	-17,175	-15,913
Cash Balance, Ending	\$ 733	\$ 2,311	\$ 2,368

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 531,675	\$ 550,980	\$ 527,649
Receipts:			
PENNVEST Fund.....	\$ 0	\$ 10,888	\$ 11,300
Federal Funds.....	55,539	100,000	115,000
Transfer from PENNVEST Drinking Water Revolving Fund.....	0	20,000	20,000
Loan Principal and Interest Repayments.....	114,231	200,000	200,000
Interest.....	10,847	8,534	8,534
Other.....	0	302	0
Total Receipts	180,617	339,724	354,834
Total Funds Available	\$ 712,292	\$ 890,704	\$ 882,483
Disbursements:			
Infrastructure Investment Authority.....	\$ 161,312	\$ 363,055	\$ 395,000
Total Disbursements	-161,312	-363,055	-395,000
Cash Balance, Ending	\$ 550,980	\$ 527,649	\$ 487,483

Persian Gulf Conflict Veterans Compensation Bond Fund

The Persian Gulf Conflict Veterans Compensation Bond Fund was created by Act 29 of 2006 to receive and distribute the proceeds from \$20 million in bonds approved by the electorate in November of 2006. This money is used for 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 the veteran was a prisoner of war. In such instances the maximum compensation is \$5,000. Act 50 of 2015 extended the application period through August 31, 2018.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,525	\$ 2,303	\$ 2,094
Receipts:			
Interest.....	\$ 4	\$ 4	\$ 4
Total Receipts	4	4	4
Total Funds Available	\$ 2,529	\$ 2,307	\$ 2,098
Disbursements:			
Military and Veterans Affairs.....	\$ 226	\$ 213	\$ 191
Total Disbursements	-226	-213	-191
Cash Balance, Ending	\$ 2,303	\$ 2,094	\$ 1,907

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 503	\$ 432	\$ 438
Total Receipts	503	432	438
Total Funds Available	\$ 503	\$ 432	\$ 438
Disbursements:			
Treasury.....	\$ 503	\$ 432	\$ 438
Total Disbursements	-503	-432	-438
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Pharmaceutical Assistance Fund

The revenue for the Pharmaceutical Assistance Fund (PACE) is received from the Lottery Fund. This fund provides a limited pharmaceutical assistance program for older Pennsylvanians who are 65 years of age or over and whose annual income does not exceed the maximum specified for program eligibility. The PACE Fund is used for pharmaceutical claims processing for the Department of Health's Special Pharmaceutical Benefits Program and its disease specific programs, as well as the Insurance Department's Auto Cat and the Worker's Compensation Security Fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the program descriptions in the Departments of Aging, Health and Insurance.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 75,386	\$ 50,477	\$ 15,951
Receipts:			
Transfer from Lottery Fund	\$ 155,000	\$ 190,000 ^a	\$ 220,000
Interest	335	91	91
Disease Specific Programs.....	5,283	6,240	6,240
Special Pharmaceutical Services	38,110	52,602	55,233
Auto Cat Program.....	967	990	990
Workers' Compensation Security Fund Program.....	3,039	3,315	3,315
Motor License Fund Loan.....	0	96,000	0
Other.....	3,609	0	0
Total Receipts	206,343	349,238	285,869
Total Funds Available	\$ 281,729	\$ 399,715	\$ 301,820
Disbursements:			
Aging	\$ 187,699	\$ 224,617	\$ 227,199
Health	39,396	58,842 ^b	61,473 ^b
Insurance.....	4,157	4,305 ^b	4,305 ^b
Loan Repayment.....	0	96,000	0
Total Disbursements	-231,252	-383,764	-292,977
Cash Balance, Ending	\$ 50,477	\$ 15,951	\$ 8,843

^a Includes recommended supplemental appropriation of \$15,000,000.

^b Expenditures from restricted accounts in the Department of Aging.

Philadelphia Regional Port Authority Fund

The Philadelphia Regional Port Authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. The Philadelphia Regional Port Authority Fund handles payroll of the authority via transfer of funds from the authority's private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pay off such bonds.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 557	\$ 339	\$ 256
Receipts:			
Transfer from Philadelphia Regional Port Authority.....	\$ 7,625	\$ 7,800	\$ 7,900
Interest.....	1	1	1
Total Receipts	7,626	7,801	7,901
Total Funds Available	\$ 8,183	\$ 8,140	\$ 8,157
Disbursements:			
Philadelphia Regional Port Operations.....	\$ 7,844	\$ 7,884	\$ 7,923
Total Disbursements	-7,844	-7,884	-7,923
Cash Balance, Ending	\$ 339	\$ 256	\$ 234

Philadelphia Taxicab and Limousine Regulatory Fund

This fund was created by Act 64 of 2013 to act as the primary operating fund for the Philadelphia Parking Authority to regulate taxicabs and limousines in the city of the first class. Revenues in the fund are derived from assessments and fees to taxicab, limousine, and dispatcher utility groups. Monies in the fund are used by the Authority for administration and enforcement of the taxicab and limousine program.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 137	\$ 138	\$ 138
Receipts:			
Assessments.....	\$ 6,213	\$ 8,442	\$ 8,640
Interest.....	1	0	0
Total Receipts	6,214	8,442	8,640
Total Funds Available	\$ 6,351	\$ 8,580	\$ 8,778
Disbursements:			
Philadelphia Parking Authority.....	\$ 6,213	\$ 8,442	\$ 8,640
Total Disbursements	-6,213	-8,442	-8,640
Cash Balance, Ending	\$ 138	\$ 138	\$ 138

Philadelphia Taxicab Medallion Fund

This fund was created by Act 64 of 2013 for the Philadelphia Parking Authority to administer the taxicab medallion program. Revenues are generated from the sale of medallions. Expenditures are those limited to the operation and enforcement of the medallion program.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 642	\$ 184	\$ 142
Receipts:			
Sale of Medallions.....	\$ 0	\$ 2,000	\$ 2,000
Total Receipts	0	2,000	2,000
Total Funds Available	\$ 642	\$ 2,184	\$ 2,142
Disbursements:			
Philadelphia Parking Authority.....	\$ 458	\$ 2,042	\$ 2,000
Total Disbursements	-458	-2,042	-2,000
Cash Balance, Ending	\$ 184	\$ 142	\$ 142

Port of Pittsburgh Commission Fund

The Port of Pittsburgh Commission was created by Act 133 of 1992 to promote and encourage capital investment in port facilities and port-related projects within the port district encompassing Allegheny, Armstrong, Beaver, Butler, Clarion, Fayette, Greene, Lawrence, Washington and Westmoreland counties.

Act 140 of 2000 expanded the authority of the commission to allow for economic development projects, including certain recreation projects sponsored by third parties. Act 111 of 2001 added Indiana County and Act 131 of 2006 added Blair County to the Port District.

Grants supporting the commission's operations are deposited into this fund along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,628	\$ 2,115	\$ 2,376
Receipts:			
State Grants.....	\$ 750	\$ 750	\$ 750
Federal Grants.....	1,032	3,458	1,752
Loan Repayments.....	0	20	20
Interest	5	3	3
Other	10	2	2
Total Receipts	1,797	4,233	2,527
Total Funds Available	\$ 4,425	\$ 6,348	\$ 4,903
Disbursements:			
Port of Pittsburgh Commission.....	\$ 2,310	\$ 3,972	\$ 2,539
Total Disbursements	-2,310	-3,972	-2,539
Cash Balance, Ending	\$ 2,115	\$ 2,376	\$ 2,364

Property Tax Relief Fund

Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, created the Property Tax Relief Fund to provide local property and wage tax relief payments to school districts. The fund receives revenue from the State Gaming Fund representing the balance of money collected in the State Gaming Fund after other distributions. Act 1 of Special Session 1 of 2006, the Taxpayer Relief Act, further provides for the distribution of funds from the Property Tax Relief Fund to school districts. In addition, transfers are made to the State Lottery Fund for an expanded Property Rent Rebate Program and supplemental senior citizen tax reduction payments. Act 78 of 2012 provides for additional funding for the Volunteer Fire Company Grants out of the Property Tax Relief Reserve Fund. The fiscal year ending balances include the Property Tax Relief Reserve Account and funding for property tax relief payments made in August and October each year.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 535,987	\$ 509,102	\$ 484,972
Receipts:			
Transfer from State Gaming Fund.....	\$ 749,777	\$ 757,285	\$ 765,339
Property Tax Relief Reserve Fund Loan Repayment.....	6,852	6,385	6,385
Interest.....	478	500	500
Total Receipts	757,107	764,170	772,224
Total Funds Available	\$ 1,293,094	\$ 1,273,272	\$ 1,257,196
Disbursements:			
Property Tax Relief Payments:			
Education:			
General Property Tax Relief.....	\$ 595,000	\$ 595,000	\$ 595,000
Sterling Act.....	21,192	21,500	21,500
Subtotal: Education Property Tax Relief Payments.....	616,192	616,500	616,500
Revenue:			
Expanded Prop Tax/Rent Rebate/Senior Tax Reductions.....	133,500	136,400	120,700
Cities and High-Burden.....	29,300	30,400	27,300
Subtotal: Revenue Property Tax Relief Payments.....	162,800	166,800	148,000
Total Property Tax Relief Disbursements.....	778,992	783,300	764,500
Emergency Management:			
Volunteer Company Grants.....	5,000	5,000	5,000
Total Disbursements.....	-783,992	-788,300	-769,500
Cash Balance, Ending.....	\$ 509,102 ^a	\$ 484,972 ^b	\$ 487,696 ^c

^a 2014-15 Available includes a balance of \$19,574,777 in the Property Tax Relief Reserve Account.

^b 2015-16 Available includes a balance of \$9,259,945 in the Property Tax Relief Reserve Account.

^c 2015-16 Estimated includes a balance of \$8,244,445 in the Property Tax Relief Reserve Account.

Public Transportation Assistance Fund

The Public Transportation Assistance Fund was established by Act 26 of 1991 to assist the capital, asset maintenance and other transportation needs of the commonwealth's transit entities. Act 44 of 2007 revised the purpose of this fund by transferring programs to the new Public Transportation Trust Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 7,686	\$ 8,457	\$ 8,484
Receipts:			
Tire Fee, Rental Fee and Lease Tax.....	\$ 113,162	\$ 115,700	\$ 118,300
Sales and Use Tax.....	94,590	98,700	106,300
Interest.....	33	27	27
Total Receipts	207,785	214,427	224,627
Total Funds Available	\$ 215,471	\$ 222,884	\$ 233,111
Disbursements:			
Transportation:			
Grants.....	\$ 187,955	\$ 194,958	\$ 204,271
Transfer to Public Transportation Trust Fund.....	19,059	19,442	20,329
Total Disbursements	-207,014	-214,400	-224,600
Cash Balance, Ending	\$ 8,457	\$ 8,484	\$ 8,511

Public Transportation Trust Fund

The Public Transportation Trust Fund was created by Act 44 of 2007 to provide dedicated funding for public transportation in the commonwealth. Act 89 of 2013 increased funding and revenue sources for the fund. Revenues come from scheduled payments by the Pennsylvania Turnpike Commission, a portion of the Sales and Use Tax, certain motor vehicle fees, vehicle code fines and surcharges, and transfers from the Public Transportation Assistance Fund and the Lottery Fund. Monies in this fund are disbursed as grants to public transit agencies for operating costs, capital and asset improvements, and programs of statewide significance.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 162,352	\$ 373,027	\$ 77,292
Receipts:			
Sales and Use Tax.....	\$ 439,486	\$ 449,388	\$ 457,242
Pennsylvania Turnpike Commission.....	420,000	420,000	420,000
Transfer from Lottery Fund.....	94,443	95,907	95,907
Transfer from Public Transportation Assistance Fund.....	19,059	19,442	20,329
Motor Vehicle Fees.....	127,257	217,203	217,203
Vehicle Code Fines	31,216	31,215	35,715
Interest.....	2,686	2,000	2,000
Total Receipts.....	1,134,147	1,235,155	1,248,396
Total Funds Available.....	\$ 1,296,499	\$ 1,608,182	\$ 1,325,688
Disbursements:			
Transportation.....	\$ 923,472	\$ 1,530,890	\$ 1,270,488
Total Disbursements.....	-923,472	-1,530,890	-1,270,488
Cash Balance, Ending.....	\$ 373,027	\$ 77,292	\$ 55,200

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 15,103	\$ 4,293	\$ 13,276
Receipts:			
Reimbursements to General Services.....	\$ 456,256	\$ 465,000	\$ 503,000
Reimbursements to Executive Offices.....	63,055	67,873	71,030
General Fund Loan.....	0	92,000	0
Interest.....	30	94	60
Total Receipts	519,341	624,967	574,090
Total Funds Available	\$ 534,444	\$ 629,260	\$ 587,366
Disbursements:			
General Services.....	\$ 455,652	\$ 455,000	\$ 504,000
Executive Offices.....	74,499	68,984	73,000
Loan Repayment.....	0	92,000	0
Total Disbursements	-530,151	-615,984	-577,000
Cash Balance, Ending	\$ 4,293	\$ 13,276	\$ 10,366

Racing Fund

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Horse Racing Commission and the State Harness Racing Commission for the regulation of horse and harness racing. The administration and enforcement of racing in Pennsylvania is governed by the Race Horse Industry Reform Act (Act 93 of 1983 and subsequent amendments). Licensed racing corporations who annually conduct at least 100 days of racing remit wagering taxes at the rate of 1.5%. License and fee revenue is derived from the licensing of jockeys and other persons participating in racing as prescribed by the State Racing Commission. Penalties and interest on taxes due, interest on securities and uncashed tickets comprise miscellaneous revenue. Act 30 of 2013 provided a one-time transfer of \$4.2 million from the Pennsylvania Race Horse Development Fund. Act 52 of 2014 established the Advance Deposit Wagering Tax which is assessed to non-licensed corporations that offer and accept pari-mutuel wagers. Shortly after enactment, the non-licensed corporations filed a legal challenge against imposition of this tax and were successful in obtaining a judgement to return a portion of the taxes collected. Estimated disbursement include estimated amounts to be refunded in both 2015-16 and 2016-17 fiscal years.

The Race Horse Industry Reform Act also provides for allocations from the State Racing Fund to two restricted accounts, the Pennsylvania Breeders Fund and the Sire Stakes Fund, providing such revenue is available after payment of commission efforts regarding administration and enforcement. In recent years, such revenue has not been available and all deposits to the restricted accounts have come solely from the Pennsylvania Race Horse Development Fund.

The pending 2015-16 Fiscal Code (HB1327) reflects an additional transfers from the Pennsylvania Race Horse Development Fund. This anticipated change is reflected below. This budget also assumes recent proposals to repeal the Race Horse Industry Reform Act and restructure the State Horse Racing Commission and the State Harness Racing Commission. The proposal provides additional license fee revenue, adjusts the cap on fines and penalties, increases the amount of retained breakage, and provides that all costs for the race horse drug testing be paid via transfers from the Pennsylvania Race Horse Development Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 23,566	\$ 23,362	\$ 20,799
Receipts:			
Admission and Wagering.....	\$ 8,889	\$ 8,021	\$ 7,431
Licenses and Fees.....	671	756	2,497
Transfers from PA Race Horse Development Fund.....	600	6,100 ^a	11,000
Advance Deposit Wagering Tax.....	875	781	800
Other.....	1,453	1,845	2,849
Restricted Revenues.....	36,495	33,800	33,800
Interest.....	356	278	278
Total Receipts	49,339	51,581	58,655
Total Funds Available	\$ 72,905	\$ 74,943	\$ 79,454
Disbursements:			
Agriculture.....	\$ 14,902	\$ 19,407	\$ 17,838
Revenue.....	0	237	237
Agriculture - Restricted Funds.....	34,641	34,500	34,500
Total Disbursements	-49,543	-54,144	-52,575
Cash Balance, Ending	\$ 23,362	\$ 20,799	\$ 26,879

^a Amount reflects transfer in HB1327 (Fiscal Code).

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 578	\$ 613	\$ 539
Receipts:			
Additional License Fees.....	\$ 62	\$ 75	\$ 75
Interest	1	1	1
Total Receipts	63	76	76
Total Funds Available	\$ 641	\$ 689	\$ 615
Disbursements:			
State.....	\$ 28	\$ 150	\$ 150
Total Disbursements	-28	-150	-150
Cash Balance, Ending	\$ 613	\$ 539	\$ 465

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 76,605	\$ 87,554	\$ 68,598
Receipts:			
Recycling Fees.....	\$ 38,178	\$ 37,000	\$ 37,000
Interest	1,415	1,318	1,318
Transfer from Hazardous Sites Cleanup Fund.....	875	1,000	1,000
Transfer from Public Ed/Tech As.....	500	500	500
Total Receipts	40,968	39,818	39,818
Total Funds Available	\$ 117,573	\$ 127,372	\$ 108,416
Disbursements:			
Environmental Protection	\$ 30,019	\$ 58,774	\$ 47,626
Total Disbursements	-30,019	-58,774	-47,626
Cash Balance, Ending	\$ 87,554	\$ 68,598	\$ 60,790

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 11,095	\$ 10,775	\$ 9,021
Receipts:			
Client Fees	\$ 20,749	\$ 20,000	\$ 20,000
Interest.....	22	16	16
PHEAA Grants.....	157	96	96
Labor and Industry	150	200	200
Other.....	1,175	1,500	1,500
Total Receipts	22,253	21,812	21,812
Total Funds Available	\$ 33,348	\$ 32,587	\$ 30,833
Disbursements:			
Labor and Industry.....	\$ 22,573	\$ 23,566	\$ 22,800
Total Disbursements	-22,573	-23,566	-22,800
Cash Balance, Ending	\$ 10,775	\$ 9,021	\$ 8,033

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. Expenditures from this fund occur only when mine operators default.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 4,141	\$ 4,265	\$ 4,343
Receipts:			
Interest.....	\$ 8	\$ 26	\$ 8
Operator Annual Fee.....	116	120	120
Total Receipts	124	146	128
Total Funds Available	\$ 4,265	\$ 4,411	\$ 4,471
Disbursements:			
Environmental Protection	\$ 0	\$ 68	\$ 100
Total Disbursements	0	-68	-100
Cash Balance, Ending	\$ 4,265	\$ 4,343	\$ 4,371

Rightful Owners' Claims Payment Fund

The Rightful Owners' Claims Payment Fund was created by Act 45 of 2003 to make reimbursements and prompt payment of claims to an owner for a restitution payment previously held as unclaimed by any court, public corporation, public authority or instrumentality of the commonwealth, or by a public officer or political subdivision. Under the act, five percent of the funds transferred annually into the Treasury will be deposited into the Rightful Owners' Claims Payment Fund to create the capability to make a reimbursement in the event a claim is filed. The remaining ninety-five percent balance of the restitution monies annually escheated from the entities identified are to be deposited to the Crime Victims' Compensation Fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 53	\$ 835	\$ 562
Receipts:			
Transfers from Unclaimed Property Accounts.....	\$ 1,188	\$ 84	\$ 96
Total Receipts	1,188	84	96
Total Funds Available	\$ 1,241	\$ 919	\$ 658
Disbursements:			
Treasury Payments to Claimants.....	\$ 406	\$ 357	\$ 364
Total Disbursements.....	-406	-357	-364
Cash Balance, Ending	\$ 835	\$ 562	\$ 294

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 52,128,399	\$ 50,771,263	\$ 52,452,013
Receipts:			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 9,255	\$ 19,000	\$ 22,000
Transfers from State Retirement System.....	10,398	10,000	10,000
Transfer from Tobacco and Health Venture.....	225,000	0	0
Contributions of School Employees.....	651,340	986,000	1,007,000
Contributions of Employers.....	1,010,948	3,380,000	3,996,000
Net Investment Adjustment.....	3,382,273	3,878,000	4,004,000
Total Receipts	5,289,214	8,273,000	9,039,000
Total Funds Available	\$ 57,417,613	\$ 59,044,263	\$ 61,491,013
Disbursements:			
Treasury	\$ 213	\$ 250	\$ 250
Public School Employees' Retirement Board	6,646,137	6,592,000	6,803,000
Total Disbursements	-6,646,350	-6,592,250	-6,803,250
Cash Balance, Ending	\$ 50,771,263	\$ 52,452,013	\$ 54,687,763

School Retirees' Health Insurance Fund

This fund was created by Act 9 of 2001. The fund is used to establish and maintain a reserve sufficient to pay the expected claims experience of the Health Options Program (HOP). The HOP is a Public School Employees' Retirement System (PSERS) sponsored voluntary health insurance program for the sole benefit of PSERS retirees, their spouses or surviving spouses, and their dependents. This presentation only reflects the activity of the claims reserve account. PSERS administers other activity through the fund which is not included herein. The revenue for HOP is from premiums paid by its participants for the benefit coverage they elect and, beginning in 2006, federal funds to subsidize Medicare Part D prescription drug benefits for HOP participants enrolled in that program. The May 2002 initial transfer consisted of funds paid in by those insured and associated investment revenue in the amount of \$27 million that had accumulated in the Public School Employees' Retirement Fund prior to the creation of the separate health insurance fund.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Insurance Claims.....	\$ 3,496	\$ 0	\$ 0
Total Receipts	3,496	0	0
Total Funds Available	\$ 3,496	\$ 0	\$ 0
Disbursements:			
School Employees' Retirement System.....	\$ 3,496	\$ 0	\$ 0
Total Disbursements	-3,496	0	0
Cash Balance, Ending	\$ 0 ^a	\$ 0	\$ 0

^a Beginning in September 2014, the funds received from the centers for Medicare & Medicaid Services are directly deposited into the accounts held by a Third Party Administrator.

Self-Insurance Guaranty Fund

This fund was created by Act 44 of 1993, the Pennsylvania Workers' Compensation Act. The purpose of this fund is to pay claims arising from defaulting self-insurance employers and defaulting members of self-insurance pooling arrangements under the Workers' Compensation Act for injuries occurring on or after October 30, 1993. The fund is maintained by assessments on self-insurers. Act 53 of 2000 provides for payments of claims resulting from injuries prior to October 30, 1993, through a Prefund Account funded by transfers from the Workers' Compensation Administration Fund. Act 49 of 2001 limited annual transfers to the Prefund Account to \$3.8 million. The Prefund Account and the fund are administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 57,562	\$ 54,154	\$ 69,864
Receipts:			
Assessments.....	\$ 2,995	\$ 21,300	\$ 3,130
Workmen's Compensation Transfers.....	-835	0	0
Interest.....	1,098	880	880
Internal Interest Transfers.....	-1,115	-920	0
Total Receipts	2,143	21,260	4,010
Total Funds Available	\$ 59,705	\$ 75,414	\$ 73,874
Disbursements:			
Labor and Industry.....	\$ 5,551	\$ 5,550	\$ 6,000
Total Disbursements	-5,551	-5,550	-6,000
Cash Balance, Ending	\$ 54,154	\$ 69,864	\$ 67,874

Small Business First Fund

Act 67 of 1996 created the Small Business First Fund. The fund replaced the Air Quality Improvement Fund, Storage Tank Loan Fund and the Pennsylvania Capital Loan Fund. Balances and program commitments in those funds were transferred to the Small Business First Fund. The fund may receive transfers from the Minority Business Development Fund to facilitate its programs for small businesses. Act 50 of 2009 enabled the fund to transfer monies to the Machinery and Equipment Loan Fund in support of its activities.

This program provides low-interest loans for small businesses of 100 employees or less. Eligible projects include land and building acquisition and construction; machinery and equipment purchases; working capital; compliance with environmental regulations and municipal or commercial recycling. In addition, companies eligible to participate in this program are those impacted by the reduction in defense-related activities and those involved in exports, advanced technology and the hospitality industry. Act 161 of 2014 transitioned the administration of this fund to the Pennsylvania Industrial Development Authority.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 101,877	\$ 25,802	\$ 10,382
Receipts:			
Loan Principal and Interest Repayments.....	\$ 11,505	\$ 14,000	\$ 14,000
Interest.....	317	252	252
Transfer from Trustee.....	7,300	0	0
Other.....	7,435	0	30
Total Receipts	26,557	14,252	14,282
Total Funds Available	\$ 128,434	\$ 40,054	\$ 24,664
Disbursements:			
Community and Economic Development.....	\$ 7,632	\$ 29,672	\$ 15,000
Transfer to General Fund.....	95,000	0	0
Total Disbursements	-102,632	-29,672	-15,000
Cash Balance, Ending	\$ 25,802	\$ 10,382	\$ 9,664

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 443	\$ 443	\$ 444
Receipts:			
Interest.....	\$ 0	\$ 1	\$ 1
Total Receipts	0	1	1
Total Funds Available	\$ 443	\$ 444	\$ 445
Disbursements:			
Environmental Protection	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 443	\$ 444	\$ 445

Special Administration Fund

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. Act 5 of 2005 requires that all monies in excess of \$200,000 in the fund, less encumbrances for litigation, shall be transferred by June 25th of each year to either the Unemployment Compensation Contribution Fund or the Job Training Fund or both.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 9,352	\$ 5,821	\$ 200
Receipts:			
Penalty and Interest Collections.....	\$ 10,259	\$ 10,000	\$ 11,000
Interest.....	11	13	13
Total Receipts	10,270	10,013	11,013
Total Funds Available	\$ 19,622	\$ 15,834	\$ 11,213
Disbursements:			
Transfer to Job Training Fund.....	\$ 152	\$ 5,000	\$ 5,000
Labor and Industry.....	13,649	10,634	6,013
Total Disbursements	-13,801	-15,634	-11,013
Cash Balance, Ending	\$ 5,821	\$ 200	\$ 200

State College Experimental Farm Fund

Act 56, approved May 13, 1887, authorized the sale of the eastern and western experimental farms which were purchased with federal land grant monies in 1862. These farms were sold for \$17,000 in 1888 and the proceeds were placed in this fund to be invested in bonds of the commonwealth at 6 percent per annum with the interest serving as an ongoing revenue to this fund. Interest earned is disbursed to the Pennsylvania State University.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 24	\$ 24	\$ 24
Receipts:			
Interest.....	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 24	\$ 24	\$ 24
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 24	\$ 24	\$ 24

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 27,802,230	\$ 27,179,885	\$ 27,969,805
Receipts:			
Contributions of Employees.....	\$ 394,901	\$ 376,500	\$ 387,000
Contributions of Employers.....	1,167,943	1,497,983	1,763,467
Transfer from PSERS.....	12,413	12,415	12,413
Directed Commissions.....	101	100	100
Net Investment Adjustment.....	861,205	2,040,072	2,099,316
Other.....	2,963	500	500
Total Receipts	2,439,526	3,927,570	4,262,796
Total Funds Available	\$ 30,241,756	\$ 31,107,455	\$ 32,232,601
Disbursements:			
Treasury.....	\$ 166	\$ 200	\$ 200
Benefits and Expenses.....	3,061,705	3,137,450	3,267,397
Total Disbursements	-3,061,871	-3,137,650	-3,267,597
Cash Balance, Ending	\$ 27,179,885	\$ 27,969,805	\$ 28,965,004

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 170,505	\$ 165,340	\$ 161,882
Receipts:			
State Tax Revenue.....	\$ 793,295	\$ 810,621	\$ 818,927
Licensee Deposit Accts.....	56,675	58,019	58,752
Local Share Assessment.....	153,685	157,042	158,651
License Fee.....	2,500	0	0
Interest.....	267	273	276
Other	6,843	7,050	5,805
Total Receipts	1,013,265	1,033,005	1,042,411
Total Funds Available	\$ 1,183,770	\$ 1,198,345	\$ 1,204,293
Disbursements:			
Revenue:			
Transfer to Compulsive and Problem Gambling Treatment Fund.....	\$ 4,384	\$ 4,566	\$ 4,800
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.....	5,116	5,146	5,176
Fish and Boat Commission.....	16	40	40
Game Commission.....	3,586	3,686	3,686
Emergency Management:			
Volunteer Company Grants.....	25,000	25,000	25,000
Gaming Control Board:			
Local Law Enforcement Grants.....	654	2,000	2,000
Local Law Enforcement Grants Transfer to General Fund.....	8,000	0	0
Local Share Assessment Distribution:			
Revenue.....	118,735	121,328	122,571
Community and Economic Development.....	30,087	30,744	31,059
Education.....	1,312	1,341	1,354
Administrative Appropriations:			
Gaming Control Board.....	36,849	41,228	40,669
Revenue	7,515	12,089	9,513
State Police.....	23,522	27,786	28,491
Attorney General.....	877	1,224	1,232
Transfer to Property Tax Relief Fund.....	749,777	757,285	765,339
Total Disbursements	-1,018,430	-1,036,463	-1,043,930
Cash Balance, Ending	\$ 165,340 ^a	\$ 161,882 ^a	\$ 160,363 ^a

^a Ending cash balance includes the following restricted balances: 2014-15 Actual is \$158,648,000, 2015-16 Available is \$145,019,000 and 2016-17 Estimated is \$133,336,000.

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 8,278	\$ 7,917	\$ 7,111
Receipts:			
Recovered Damages.....	\$ 0	\$ 450	\$ 73
Interest	241	249	249
Other	408	295	0
Total Receipts	649	994	322
Total Funds Available	\$ 8,927	\$ 8,911	\$ 7,433
Disbursements:			
General Services.....	\$ 1,010	\$ 1,800	\$ 1,145
Total Disbursements	-1,010	-1,800	-1,145
Cash Balance, Ending	\$ 7,917	\$ 7,111	\$ 6,288

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,024	\$ 1,005	\$ 958
Receipts:			
Revenue from Operations.....	\$ 57	\$ 48	\$ 60
Interest.....	2	2	2
Total Receipts	59	50	62
Total Funds Available	\$ 1,083	\$ 1,055	\$ 1,020
Disbursements:			
General Services.....	\$ 78	\$ 97	\$ 55
Total Disbursements	-78	-97	-55
Cash Balance, Ending	\$ 1,005	\$ 958	\$ 965

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 661	\$ 663	\$ 665
Receipts:			
Interest.....	\$ 2	\$ 2	\$ 2
Total Receipts	2	2	2
Total Funds Available	\$ 663	\$ 665	\$ 667
Disbursements:			
Education.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 663	\$ 665	\$ 667

State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police also receive funds for the enforcement of the Liquor Code.

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. Act 10A of 2015 included a statutory transfer of \$100 million.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 40,072	\$ 56,779	\$ 21,879
Receipts:			
Fees, Fines and Penalties.....	\$ 14,663	\$ 14,663	\$ 14,663
Sale of Goods.....	1,890,235	1,965,844	2,044,478
Liquor Sales Taxes.....	472,162	491,048	510,690
Enhanced Proceeds.....	0	0	100,000
Recovered Losses and Damages.....	2,181	2,178	2,178
Other.....	63	55	55
Interest.....	429	495	495
Total Receipts	2,379,733	2,474,283	2,672,559
Total Funds Available	\$ 2,419,805	\$ 2,531,062	\$ 2,694,438
Disbursements:			
Drug and Alcohol Programs.....	\$ 2,474	\$ 2,500	\$ 2,500
Liquor Control Board	1,782,668	1,884,809	1,929,824
State Police.....	25,722	30,826	29,781
Transfer of Liquor Sales Taxes to General Fund.....	472,162	491,048	510,690
Transfer to General Fund.....	80,000	100,000	100,000
Transfer of Enhanced Proceeds to General Fund.....	0	0	100,000
Total Disbursements	-2,363,026	-2,509,183	-2,672,795
Cash Balance, Ending	\$ 56,779	\$ 21,879	\$ 21,643

State Treasury Armory Fund

Created in accordance with Act 92 of 1975, the State Treasury Armory Fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds are expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the commonwealth.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 2,729	\$ 4,113	\$ 2,951
Receipts:			
Armory Rentals.....	\$ 263	\$ 300	\$ 450
Sale of Armories and Land.....	3,263	925	1,675
Interest.....	7	8	8
Other.....	125	25	0
Total Receipts	3,658	1,258	2,133
Total Funds Available	\$ 6,387	\$ 5,371	\$ 5,084
Disbursements:			
Military and Veterans Affairs.....	\$ 2,274	\$ 2,420	\$ 2,000
Total Disbursements	-2,274	-2,420	-2,000
Cash Balance, Ending	\$ 4,113	\$ 2,951	\$ 3,084

State Workers' Insurance Fund

The State Workers' Insurance Fund (SWIF) was created by Act 338 of 1915 and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 68 of 1990 provides for the transfer of money from SWIF. Annual payments are made to the General Fund equal to the amount which would have been paid in taxes had SWIF been subject to taxes. The act also established an Advisory Council to recommend the amount of surplus in SWIF, if any, that could be distributed without jeopardizing its legal obligations to policy holders. If such a surplus exists, the SWIF Board may then recommend distribution of the surplus as refunds to current or former policyholders. The funds recommended by the board to be transferred or refunded to policyholders must be approved and appropriated by the General Assembly.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,490,978	\$ 1,446,847	\$ 1,419,046
Receipts:			
Premiums.....	\$ 227,082	\$ 225,000	\$ 220,000
Interest.....	32,107	50,000	48,000
Net Investment Adjustment.....	2,338	18,000	17,000
Other.....	3,635	3,500	3,500
Total Receipts	265,162	296,500	288,500
Total Funds Available	\$ 1,756,140	\$ 1,743,347	\$ 1,707,546
Disbursements:			
Labor and Industry.....	\$ 303,887	\$ 319,801	\$ 315,233
Premium Tax Payment to General Fund.....	5,406	4,500	4,500
Total Disbursements	-309,293	-324,301	-319,733
Cash Balance, Ending	\$ 1,446,847	\$ 1,419,046	\$ 1,387,813

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 8,133	\$ 6,146	\$ 2,155
Receipts:			
Registration Fees.....	\$ 2,868	\$ 3,100	\$ 3,100
Federal Funds - EPA.....	2,377	4,740	4,740
Fines and Penalties.....	882	550	550
Interest.....	14	10	10
Other.....	3,064	3,020	3,020
Total Receipts	9,205	11,420	11,420
Total Funds Available	\$ 17,338	\$ 17,566	\$ 13,575
Disbursements:			
Environmental Protection.....	\$ 11,192	\$ 15,411	\$ 13,488
Total Disbursements	-11,192	-15,411	-13,488
Cash Balance, Ending	\$ 6,146	\$ 2,155	\$ 87

Substance Abuse Education and Demand Reduction Fund

This fund was created by Act 198 of 2002 and amended by Act 36 of 2006. The purpose of the fund is to provide research-based approaches to prevention, intervention, training, treatment and education services to reduce substance abuse and to offer statewide programs to assist families in accessing those services. The fund also provides for statewide programs to educate employers, unions and employees about the dangers of substance abuse in the workplace and provide comprehensive drug-free workplace programs and technical resources for businesses. Revenue to the fund consists of assessments on individuals convicted, adjudicated delinquent or granted accelerated rehabilitative disposition and also those individuals who plead guilty or nolo contendere to either a violation of the Controlled Substance, Drug, Device and Cosmetic Act or a violation relating to driving under the influence of alcohol or controlled substance.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 12,748	\$ 10,916	\$ 6,486
Receipts:			
Assessments.....	\$ 3,324	\$ 3,650	\$ 3,650
Interest.....	220	220	220
Total Receipts.....	3,544	3,870	3,870
Total Funds Available	\$ 16,292	\$ 14,786	\$ 10,356
Disbursements:			
Executive Offices.....	\$ 5,019	\$ 7,913	\$ 9,913
Attorney General.....	357	387	387
Total Disbursements.....	-5,376	-8,300	-10,300
Cash Balance, Ending	\$ 10,916	\$ 6,486	\$ 56

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 64,866	\$ 63,740	\$ 56,516
Receipts:			
Licenses and Fees.....	\$ 316	\$ 297	\$ 297
Fines and Penalties.....	159	61	50
Interest.....	1,492	1,160	1,160
Forfeiture of Bonds.....	-724	0	0
Other.....	1,384	358	-45
Total Receipts	2,627	1,876	1,462
Total Funds Available	\$ 67,493	\$ 65,616	\$ 57,978
Disbursements:			
Environmental Protection.....	\$ 3,753	\$ 9,100	\$ 6,445
Total Disbursements	-3,753	-9,100	-6,445
Cash Balance, Ending	\$ 63,740	\$ 56,516	\$ 51,533

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 83	\$ 84	\$ 0
Receipts:			
Payment from General Fund.....	\$ 0	\$ -84	\$ 0
Interest.....	1	0	0
Total Receipts	1	-84	0
Total Funds Available	\$ 84	\$ 0	\$ 0
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 84	\$ 0	\$ 0

Tobacco Settlement Fund

The Tobacco Settlement Fund is a special revenue fund comprised of monies from all tobacco settlements under the Tobacco Master Settlement Agreement. Act 77 of 2001 created the Tobacco Settlement Fund (TSF) to receive the revenues from the Master Settlement Agreement that was reached with the five major tobacco companies on December 17, 1999. The TSF was established to provide funding for health care insurance for the uninsured, home and community-based services for seniors, tobacco use prevention and cessation, broad-based health research, medical care for workers with disabilities, hospital uncompensated care and an endowment component to preserve a portion of the receipts for future use. Since 2005-06, a portion of the tobacco revenue has been used to offset the escalating cost of long-term care services for persons with disabilities and older Pennsylvanians.

In September 2013, an arbitration panel hearing the non-participating manufacturer (NPM) adjustment dispute with respect to MSA payments received in 2004 issued a decision adverse to the commonwealth. The Attorney General challenged the decision and due to Pennsylvania's Court Order the 2013 MSA assessment has been recalculated. The April 2015 MSA payment includes \$22.533 million from the underpayment.

For 2015-16, the Master Settlement Agreement (MSA) funds to be received in April 2016 have been allocated as follows: 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation activities, 13.6 percent for health and related research, 8.18 percent for uncompensated care, 30 percent for Medicaid benefits for workers with disabilities, 8 percent for the expansion of the PACENET program and 22.72 percent for health-related purposes. In addition, the annual strategic contribution payment was appropriated for health-related purposes.

This budget proposes to allocate funds for 2016-17 based on the anticipated April 2017 MSA payment. The distribution of funds is 30 percent for Medicaid benefits for workers with disabilities, 13.6 percent for health and related research, 13 percent for home and community-based services, 4.5 percent for tobacco use prevention and cessation, 8.18 percent for uncompensated care and 30.72 percent for health-related purposes. In addition, the annual strategic payment is recommended to be appropriated for health-related purposes.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 348,282	\$ 63,421	\$ 81,102
Receipts:			
Gross Settlements.....	\$ 331,549	\$ 304,931	\$ 309,205
Strategic Contributions.....	20,948	20,710	20,952
Federal Receipts.....	49,765	275,860	170,164
Interest.....	82	180	100
Health Venture Investment Account.....	53,253	0	0
Net Investment Adjustment.....	-4,330	0	0
Other.....	0	1,000	1,000
Total Receipts	451,267	602,681	501,421
Total Funds Available	\$ 799,549	\$ 666,102	\$ 582,523
Disbursements:			
Executive Offices:			
Transfer to Public School Employees Retirement System.....	\$ 225,000	\$ 0	\$ 0
Aging:			
PACENET Transfer (EA).....	0	0 ^a	0
Home and Community-Based Services (EA).....	-344	37	0
(F) Medical Assistance - Community Services (EA).....	-40	14	0
Community and Economic Development:			
Tobacco Settlement Investment Board.....	-6	-12	0
Life Sciences Greenhouses.....	3,000	3,000	3,000
Health Venture Investment Account.....	53,249	0	0
Biotechnology Commercialization Account.....	4	0	0
Purchase on Investment Account.....	-4,938	0	0
Health:			
Tobacco Use Prevention and Cessation (EA).....	10,215	19,005	13,914
Health Research - Health Priorities (EA).....	27,003	52,591	38,960
Health Research - National Cancer Institute (EA).....	3,073	3,049	3,092
Human Services:			
Medical Care for Workers with Disabilities (EA).....	46,256	87,125	92,761
(F) Medical Assistance - Workers with Disabilities (EA).....	50,848	94,261	99,839
Uncompensated Care (EA).....	500	62,638	25,293
(F) Medical Assistance - Uncompensated Care (EA).....	0	69,303	27,160
Home and Community - Based Services (EA).....	40,172	39,641	40,197
(F) Medical Assistance - Community Services (EA).....	43,207	42,962	43,165
Medical Assistance - Long-Term Care.....	238,929	111,386 ^b	112,940
Total Disbursements	-736,128	-585,000	-500,321
Cash Balance, Ending	\$ 63,421	\$ 81,102	\$ 82,202

^a Includes recommended reduction per HB 1327 (Fiscal Code).

^b Reflects recommended appropriation reduction of \$5,223,000.

Treasury Initiative Support Fund

The Treasury Initiative Support Fund was created in 2009 to account for funding received in support of Treasury initiatives and to track spending as required by the various funding agreements. Treasury established the Keystone Home Energy Loan Program (HELP) in 2006 to offer affordable energy efficiency financing options to homeowners. These consumer loans are bundled and purchased as an investment into a Treasury investment pool. This program received funding to administer components of the Alternate Energy Investment Act of July 9, 2008, Special Session 1. It has also received funding to support the HELP loans, including funds for a geothermal energy component. Support received to assist a Micro Lending investment program is also included in this fund. In addition, Treasury has received independent foundation grants to develop a nationwide market to support the sale of energy efficiency loans and to make investments that promote energy efficiency improvements on college and university campuses in Pennsylvania.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning.....	\$ 8,581	\$ 8,783	\$ 8,957
Receipts:			
Program Funding.....	\$ 150	\$ 147	\$ 145
Interest.....	31	27	21
Other.....	21	0	0
Total Receipts	202	174	166
Total Funds Available	\$ 8,783	\$ 8,957	\$ 9,123
Disbursements:			
Treasury.....	\$ 0	\$ 0	\$ 0
Total Disbursements.....	0	0	0
Cash Balance, Ending	\$ 8,783	\$ 8,957	\$ 9,123

Tuition Account Guaranteed Savings Program Fund

Act 11 of 1992, amended by Act 58 of 2000, provided for the establishment of two programs for postsecondary educational savings. Both programs are administered by the Tuition Account Programs Bureau within the Treasury Department with oversight by the Tuition Account Programs (TAP) Advisory Board. This fund offers a guaranteed rate of return tied to tuition inflation. Revenue is derived primarily from application fees, Tuition Account Guaranteed Savings Program contracts and investment income. Fund expenditures consist mainly of payments to educational institutions for tuition and administrative costs.

The ending fund balance shown in the statement includes substantial investment assets. The net investment adjustment receipt item is included to reflect the carrying value of long-term investments as of June 30. The Long-Term Investments (outside of Treasury) disbursement represents cash for investments purchased through various TAP fund investment managers.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,688,058	\$ 1,781,697	\$ 1,835,040
Receipts:			
Application Fees	\$ 1,331	\$ 1,042	\$ 1,357
Tuition Unit Purchases.....	190,234	222,306	194,038
Investment Earnings.....	9,562	9,547	9,753
Net Investment Adjustment.....	115,777	46,468	50,185
Total Receipts	316,904	279,363	255,333
Total Funds Available	\$ 2,004,962	\$ 2,061,060	\$ 2,090,373
Disbursements:			
Treasury.....	\$ 223,265	\$ 226,020	\$ 227,730
Total Disbursements	-223,265	-226,020	-227,730
Cash Balance, Ending	\$ 1,781,697	\$ 1,835,040	\$ 1,862,643

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 4,383,470	\$ 1,877,214	\$ 1,880,433
Correction to Beginning Cash Balance.....	-2,506,557		
Cash Balance, Beginning as Corrected to Actual.....	\$ 1,876,913		
Receipts:			
Tuition Investment Purchases.....	\$ 75,268	\$ 87,761	\$ 76,742
Net Investment Adjustment.....	98	188	203
Total Receipts	75,366	87,949	76,945
Total Funds Available	\$ 1,952,279	\$ 1,965,163	\$ 1,957,378
Disbursements:			
Treasury.....	\$ 75,065	\$ 84,730	\$ 76,567
Total Disbursements	-75,065	-84,730	-76,567
Cash Balance, Ending	\$ 1,877,214	\$ 1,880,433	\$ 1,880,811

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 14,652	\$ 11,598	\$ 366
Receipts:			
Impact Fee Revenues.....	\$ 223,400	\$ 186,696	\$ 186,150
Interest.....	114	52	52
Total Receipts	<u>223,514</u>	<u>186,748</u>	<u>186,202</u>
Total Funds Available	\$ 238,166	\$ 198,346	\$ 186,568
Disbursements:			
Public Utility Commission.....	\$ 119,096	\$ 103,446	\$ 100,602
Emergency Management.....	796	6,174	1,500
Environmental Protection.....	6,000	6,000	6,000
Fish and Boat Commission.....	871	2,359	1,000
Transportation.....	814	3,754	1,000
Transfer to Conservation District Fund.....	3,750	3,844	3,940
Transfer to Marcellus Legacy Fund.....	82,200	67,403	67,108
Transfer to Housing Affordability and Rehabilitation Enhancement Fund.....	13,041	5,000	5,000
Total Disbursements	<u>-226,568</u>	<u>-197,980</u>	<u>-186,150</u>
Cash Balance, Ending	\$ 11,598	\$ 366	\$ 418

Underground Storage Tank Indemnification Fund

The Storage Tank and Spill Prevention Act, Act 32 of 1989, as amended, established the Underground Storage Tank Indemnification Fund to administer a program to provide claim payments to owners and operators of underground storage tanks who incur liability for taking corrective action or for bodily injury or property damage caused by a release from underground storage tanks. Expenses for administration of the fund are also covered. The fund is administered by the Insurance Department in conjunction with a nine member Underground Storage Tank Indemnification Board.

Act 13 of 1998 established a new loan program to assist owners of regulated underground storage tanks to upgrade their underground storage tank systems to meet federal Environmental Protection Agency upgrade requirements or to remove them from service. Act 100 of 2000 expanded the upgrade loan program to include the removal of underground storage tanks. The act also established an environmental cleanup program and a pollution prevention program that are administered by the Department of Environmental Protection. A loan of \$100 million was made to the General Fund on October 15, 2002 in accordance with Act 91 of 2002. Act 74 of 2012 extended authority for the Underground Storage Tank Environmental Cleanup Program and the Underground Storage Tank Pollution Prevention Program until June 30, 2017. Act 72 of 2013 changed the repayment of the \$100 million loan to the General Fund to before July 1, 2029. As of 2014-15, \$32.5 million of the \$100 million loan has been repaid.

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 185,972	\$ 207,413	\$ 189,754
Receipts:			
Gallon Fee	\$ 51,713	\$ 53,000	\$ 53,000
Tank Capacity Fee	5,938	6,000	6,000
Investment Income	615	600	600
Net Investment Adjustment	8,404	0	0
Loan Repayments	2	1	0
Loan Repayments from General Fund.....	0	0	7,000
Other.....	6,704	1,500	1,500
Total Receipts	73,376	61,101	68,100
Total Funds Available	\$ 259,348	\$ 268,514	\$ 257,854
Disbursements:			
Environmental Protection	\$ 2,847	\$ 12,630	\$ 5,646
Insurance	49,088	66,130	56,851
Total Disbursements	-51,935	-78,760	-62,497
Cash Balance, Ending	\$ 207,413	\$ 189,754	\$ 195,357

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Regular Unemployment Compensation Program.....	\$ 2,259,385	\$ 2,173,000	\$ 2,240,000
Other.....	2,620	68,000	67,000
Total Receipts	2,262,005	2,241,000	2,307,000
Total Funds Available	\$ 2,262,005	\$ 2,241,000	\$ 2,307,000
Disbursements:			
Labor and Industry.....	\$ 2,262,005	\$ 2,241,000	\$ 2,307,000
Total Disbursements	-2,262,005	-2,241,000	-2,307,000
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Unemployment Compensation Contribution Fund

This fund was created to hold monies collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, are transferred to the United States Treasury for credit to the commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ -36,248	\$ 0	\$ 0
Receipts:			
Contributions from Employers and Employees.....	\$ 2,565,380	\$ 2,664,000	\$ 2,693,000
Other.....	120,268	40,000	40,000
Total Receipts	2,685,648	2,704,000	2,733,000
Total Funds Available	\$ 2,649,400	\$ 2,704,000	\$ 2,733,000
Disbursements:			
Labor and Industry.....	\$ 2,649,400	\$ 2,704,000	\$ 2,733,000
Total Disbursements	-2,649,400	-2,704,000	-2,733,000
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Unemployment Compensation Debt Service Fund

This fund was created in accordance with the Unemployment Compensation Law. The fund is administered by the Department of Labor and Industry and was originally used for the collection and repayment of interest on loans from the federal government to the Commonwealth's account in the Unemployment Compensation Trust Fund.

Act 60 of 2012, the Commonwealth's UC Reform Legislation, allowed for the issuance of bonds to repay the state's Unemployment Compensation debt to the federal government. The name of the fund was changed to the Debt Service Fund and its purpose was expanded to process payments for bond obligations and administrative expenses, payment of annual interest on federal loans, workforce investment and infrastructure improvements, and once debt levels are reduced to established thresholds, payment or transfer to the Unemployment Compensation Trust Fund for payment of unemployment compensation to individuals.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,668	\$ 1,455	\$ 0
Receipts:			
Contributions from Employers.....	\$ 462,872	\$ 469,000	\$ 489,000
Total Receipts	462,872	469,000	489,000
Total Funds Available	\$ 464,540	\$ 470,455	\$ 489,000
Disbursements:			
Labor and Industry.....	\$ 463,085	\$ 470,455	\$ 489,000
Total Disbursements	-463,085	-470,455	-489,000
Cash Balance, Ending	\$ 1,455	\$ 0	\$ 0

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. Projected expenditures are dependent upon claim volume, the merits of such claims, and associated claims costs. The pending Fiscal Code (HB1327) proposes a \$3.1 million transfer from the Workmen's Compensation Administration Fund. This anticipated change is reflected below. In addition, this budget proposes an additional \$5.2 million transfer from the Workmen's Compensation Administration Fund in 2016-17.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 487	\$ 39	\$ 74
Receipts:			
Assessments/Self-Insurer's Security.....	\$ 4,015	\$ 3,232	\$ 3,250
Interest.....	3	3	3
Other.....	2,000	6,100 ^a	5,200
Total Receipts	6,018	9,335	8,453
Total Funds Available	\$ 6,505	\$ 9,374	\$ 8,527
Disbursements:			
Labor and Industry.....	\$ 6,466	\$ 9,300	\$ 8,500
Total Disbursements	-6,466	-9,300	-8,500
Cash Balance, Ending	\$ 39	\$ 74	\$ 27

^a Amount reflects increased transfer in HB1327 (Fiscal Code).

Veterans Trust Fund

The Veterans Trust Fund was established by Act 87 of 2012. The fund is administered by the Department of Military and Veterans Affairs and consists of proceeds paid by the Department of Transportation relating to special plates for veterans and \$3 check-offs on drivers' license and motor vehicle registration applications, as well as grants, gifts, donations and other payments from an individual or governmental entity. The purpose of this fund is to provide grants for programs or projects supporting Pennsylvania veterans and their families.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,421	\$ 1,492	\$ 1,306
Receipts:			
Contributions - Plates, Drivers License and Registration.....	\$ 1,571	\$ 1,570	\$ 1,570
Interest.....	3	3	3
Other.....	1	1	1
Total Receipts	1,575	1,574	1,574
Total Funds Available	\$ 2,996	\$ 3,066	\$ 2,880
Disbursements:			
Military and Veterans Affairs:			
Grants and Assistance.....	\$ 1,504	\$ 1,760	\$ 1,755
Total Disbursements	-1,504	-1,760	-1,755
Cash Balance, Ending	\$ 1,492	\$ 1,306	\$ 1,125

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 1,146	\$ 849	\$ 13,029
Receipts:			
Transfer from General Fund.....	\$ 40,473	\$ 45,473	\$ 47,473
Federal Vocational Rehabilitation Funds.....	127,337	167,479	157,400
Other.....	286	0	0
Interest.....	33	5	5
Total Receipts	168,129	212,957	204,878
Total Funds Available	\$ 169,275	\$ 213,806	\$ 217,907
Disbursements:			
Labor and Industry.....	\$ 168,426	\$ 200,777	\$ 204,878
Total Disbursements	-168,426	-200,777	-204,878
Cash Balance, Ending	\$ 849	\$ 13,029	\$ 13,029

Volunteer Companies Loan Fund

Bond referenda in 1975, 1981, 1990 and 2002 authorized a total of \$100 million of bonds to be issued for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. Act 208 of 1976 established a revolving loan fund known as the Volunteer Companies Loan Fund. Loans provided for under these bond issues are administered by the Office of the State Fire Commissioner. In addition to bond proceeds, revenues include loan repayments and penalty charges. To increase program participation and accessibility, Act 129 of 2013 modified loan amounts, loan periods and the number of loans allowed for emergency service providers.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 75,859	\$ 50,921	\$ 53,339
Receipts:			
Loan Principal and Interest Repayments.....	\$ 14,503	\$ 18,000	\$ 18,000
Interest.....	844	668	668
Penalty Charges.....	10	0	0
Total Receipts	15,357	18,668	18,668
Total Funds Available.....	\$ 91,216	\$ 69,589	\$ 72,007
Disbursements:			
Office of State Fire Commissioner.....	\$ 10,295	\$ 16,250	\$ 18,250
Transfer to General Fund.....	30,000	0	0
Total Disbursements	-40,295	-16,250	-18,250
Cash Balance, Ending	\$ 50,921	\$ 53,339	\$ 53,757

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 36,361	\$ 15,885	\$ 885
Receipts:			
Referendum Bonds.....	\$ 0	\$ 0	\$ 20,000
Transfer to Water & Sewer Systems Assistance Sinking Fund.....	-49	0	0
Interest.....	49	0	0
Total Receipts	0	0	20,000
Total Funds Available	\$ 36,361	\$ 15,885	\$ 20,885
Disbursements:			
Infrastructure Investment Authority.....	\$ 20,476	\$ 15,000	\$ 885
Total Disbursements	-20,476	-15,000	-885
Cash Balance, Ending	\$ 15,885	\$ 885	\$ 20,000

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 24,848	\$ 24,787	\$ 25,655
Water & Sewer Systems Assist Bond Fund Interest Transfer.....	49	0	0
Total Receipts	24,897	24,787	25,655
Total Funds Available	\$ 24,897	\$ 24,787	\$ 25,655
Disbursements:			
Treasury.....	\$ 24,897	\$ 24,787	\$ 25,655
Total Disbursements	-24,897	-24,787	-25,655
Cash Balance, Ending	\$ 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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 32,181	\$ 29,072	\$ 233
Receipts:			
Interest.....	\$ 56	\$ 56	\$ 56
Total Receipts	56	56	56
Total Funds Available	\$ 32,237	\$ 29,128	\$ 289
Disbursements:			
Community & Economic Development - Public.....	\$ 3,160	\$ 28,895	\$ 0
Bond Issuing Expense.....	5	0	0
Total Disbursements	-3,165	-28,895	0
Cash Balance, Ending	\$ 29,072	\$ 233	\$ 289

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 16,958	\$ 14,708	\$ 13,712
Total Receipts	16,958	14,708	13,712
Total Funds Available	\$ 16,958	\$ 14,708	\$ 13,712
Disbursements:			
Treasury.....	\$ 16,958	\$ 14,708	\$ 13,712
Total Disbursements	-16,958	-14,708	-13,712
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 211	\$ 239	\$ 165
Receipts:			
Tax Check-Offs.....	\$ 68	\$ 73	\$ 73
Voluntary Donations.....	1	2	2
License Plate Sales.....	27	24	24
Other.....	3	3	3
Total Receipts	99	102	102
Total Funds Available	\$ 310	\$ 341	\$ 267
Disbursements:			
Conservation and Natural Resources.....	\$ 71	\$ 176	\$ 143
Total Disbursements	-71	-176	-143
Cash Balance, Ending	\$ 239	\$ 165	\$ 124

Workers' Compensation Security Fund

The purpose of this fund is payment of valid claims for compensation provided by the Workers' Compensation Act to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered.

Through June 30, 2000, payment equal to one percent of the net written premiums received for workers' compensation insurance policies written in the commonwealth by stock companies, mutual carriers and reciprocal exchanges during the preceding annual reporting period were credited to the fund. Such payments were required only if the balance less known liabilities of the fund was determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workers' Compensation Act.

Act 49 of 2000 removed the statutory annual assessment procedures in conjunction with giving prudent person investment authority to the Insurance Commissioner jointly with the State Treasurer for the investment of monies in the fund. This change was expected to generate increased earnings to the fund, thereby reducing the frequency of the assessment. The act requires the Insurance Department to manage the fund to maintain its actuarial soundness and a minimum balance of \$500 million as of December 31 of any given year. If the fund balance falls below \$500 million by calendar year end, the department will assess contributions to restore the balance in the fund in a timely manner.

The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 771,677	\$ 778,540	\$ 784,860
Receipts:			
Assessments and Receipts	\$ 19,045	\$ 45,000	\$ 5,000
Net Investment Adjustment	23,047	0	0
Interest	58	70	70
Other	368	250	250
Total Receipts	42,518	45,320	5,320
Total Funds Available	\$ 814,195	\$ 823,860	\$ 790,180
Disbursements:			
Insurance	\$ 35,655	\$ 39,000	\$ 39,000
Total Disbursements	-35,655	-39,000	-39,000
Cash Balance, Ending	\$ 778,540	\$ 784,860	\$ 751,180

Workmen's Compensation Administration Fund

This fund was created by Act 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workers' Compensation Act and the Pennsylvania Occupational Disease Act. Act 44 of 1993 and Act 57 of 1996 amended the Workers' Compensation Act, expanding the administrative responsibilities of the department. The fund is supported by annual assessments on insurers and self-insurers under the act. These administrative funds are approved by the legislature for expenditure through the appropriation process. Administrative funds are also provided to the Office of the Small Business Advocate through the Department of Community and Economic Development to represent the interests of the employers in workers' compensation rate filings before the Insurance Department. The pending 2015-16 Fiscal Code (HB1327) includes an additional \$3.1 million transfer from the Workmen's Compensation Administration Fund to the Uninsured Employers Guarantee Fund. The anticipated change is reflected below. In addition, this budget proposes an additional \$5.2 million transfer to the Uninsured Employers Guarantee Fund in 2016-17.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 110,352	\$ 90,555	\$ 67,671
Receipts:			
Assessments.....	\$ 47,306	\$ 60,427	\$ 84,531
Interest.....	0	135	180
Fines and Penalties.....	9	9	9
Other.....	759	763	775
Total Receipts.....	48,074	61,334	85,495
Total Funds Available	\$ 158,426	\$ 151,889	\$ 153,166
Disbursements:			
Treasury.....	\$ 2	\$ 0	\$ 0
Community and Economic Development.....	171	385	194
Transfer to Uninsured Employers Guaranty Fund.....	0	6,100 ^a	5,200
Labor and Industry.....	67,698	77,733	82,286
Total Disbursements.....	-67,871	-84,218	-87,680
Cash Balance, Ending	\$ 90,555	\$ 67,671	\$ 65,486

^a Amount reflects increased transfer in HB1327 (Fiscal Code).

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)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 6,515	\$ 5,997	\$ 853
Receipts:			
Assessments.....	\$ 20,645	\$ 15,831	\$ 21,000
Interest.....	24	10	10
Other.....	261	15	0
Total Receipts	20,930	15,856	21,010
Total Funds Available	\$ 27,445	\$ 21,853	\$ 21,863
Disbursements:			
Labor and Industry.....	\$ 21,448	\$ 21,000	\$ 21,000
Total Disbursements	-21,448	-21,000	-21,000
Cash Balance, Ending	\$ 5,997	\$ 853	\$ 863

911 Fund

Title 35 Chapter 53 amended by Act 12 of 2015, the Public Safety Emergency Telephone Act established the 911 Fund to support a statewide integrated 911 plan. The fund is used to collect and deposit a surcharge collected by Wireless, Prepaid Wireless, VoIP and Wireline service providers on a monthly basis, the proceeds of which are remitted to the fund quarterly. Up to two percent of annual surcharge proceeds can be used by the agency for administrative costs with the remaining available balance being used for approved county grants.

Statement of Cash Receipts and Disbursements

(Dollar Amounts in Thousands)

	2014-15 Actual	2015-16 Available	2016-17 Estimated
Cash Balance, Beginning	\$ 9,427	\$ 14,641	\$ 24,339
Receipts:			
Assessments	\$ 118,926	\$ 220,000	\$ 320,000
Interest.....	22	25	30
Other.....	2	0	0
Total Receipts	118,950	220,025	320,030
Total Funds Available	\$ 128,377	\$ 234,666	\$ 344,369
Disbursements:			
Emergency Management:			
Administration.....	\$ 1,765	\$ 4,327	\$ 6,400
Grants.....	111,971	206,000	313,000
Total Disbursements	-113,736	-210,327	-319,400
Cash Balance, Ending	\$ 14,641	\$ 24,339	\$ 24,969



Commonwealth of Pennsylvania

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COMPLEMENT

This section provides a summary by department of authorized salaried complement on a full-time equivalent basis for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.

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AUTHORIZED SALARIED COMPLEMENT BY AGENCY FULL-TIME EQUIVALENT

The following is a summary, by department, of the commonwealth's authorized complement levels on a full-time equivalent basis.

<i>Department</i>	<i>2015-16 Available</i>	<i>2016-17 Budget</i>	<i>Difference Budget vs. Available</i>
Governor's Office	68	68	
Executive Offices	1,737	1,730	-7
Lieutenant Governor's Office	14	14	
Aging	102	102	
Agriculture	602	602	
Banking and Securities	233	233	
Civil Service Commission	108	108	
Community and Economic Development	307	312	5
Conservation and Natural Resources	1,426	1,427	1
Corrections and Rehabilitation	16,023	17,467	1,444
Drug and Alcohol Programs	79	79	
Education	532	546	14
Emergency Management Agency	198	198	
Environmental Hearing Board	13	13	
Environmental Protection	2,689	2,691	2
Fish and Boat Commission	432	432	
Game Commission	714	714	
General Services	956	956	
Health	1,328	1,327	-1
Historical and Museum Commission	206	206	
Human Services	17,174	17,246	72
Infrastructure Investment Authority	28	28	
Insurance	249	249	
Labor and Industry	5,902	5,902	
Liquor Control Board	3,270	3,270	
Military and Veterans Affairs	2,250	2,256	6
Milk Marketing Board	28	25	-3
Municipal Employees' Retirement	38	38	
Probation and Parole Board	1,330		-1,330
Public Utility Commission	503	503	
Revenue	2,046	2,090	44
School Employees' Retirement System	316	316	
State	501	505	4
State Employees' Retirement System	197	197	
State Police	6,564	6,564	
Transportation	11,879	11,879	
TOTAL ALL DEPARTMENTS	80,042	80,293	251

Summary of 2016-17 Complement Changes

The following is a detailed listing, by department, of the recommended authorized salaried complement changes (on a full-time equivalent basis) for 2016-17. It reflects proposed eliminations, new positions and transfers between appropriations and agencies.

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
EXECUTIVE OFFICES		
General Fund:		
Public Employee Retirement Commission.....	<u>-7</u>	Eliminated Commission.
COMMUNITY AND ECONOMIC DEVELOPMENT		
General Fund:		
General Government Operations.....	-2	TRANSFERRED: To Base Realignment and Closure.
Office of Open Records.....	5	NEW: For mediation efforts, expand training and outreach.
Base Realignment and Closure.....	<u>2</u>	TRANSFERRED: From General Government Operations.
DEPARTMENT TOTAL	<u>5</u>	
CONSERVATION AND NATURAL RESOURCES		
General Fund:		
State Parks Operations.....	<u>1</u>	NEW: For Pennsylvania Conservation Corps.
CORRECTIONS AND REHABILITATION		
General Fund:		
General Government Operations.....	45	TRANSFERRED: From Probation & Parole.
Medical Care.....	39	NEW: For dementia unit at SCI Waymart.
Inmate Education and Training.....		
State Correctional Institutions.....	75	NEW: For dementia unit at SCI Waymart (6) and for enhanced treatment for inmates with serious mental illness (69).
State Field Supervision.....	1,113	TRANSFERRED: From Probation & Parole.
Board of Probation and Parole.....	110	TRANSFERRED: From Probation & Parole.
Office of Victim Advocate.....	20	TRANSFERRED: From Probation & Parole.
Sexual Offenders Assessment Board.....	39	TRANSFERRED: From Probation & Parole.
Firearms Education and Training Commission.....	<u>3</u>	TRANSFERRED: From Probation & Parole.
DEPARTMENT TOTAL	<u>1,444</u>	
EDUCATION		
General Fund:		
General Government Operations.....	<u>12</u>	NEW: For school improvement and turnaround (2), for financial watch (3) and for educator discipline (7).
Federal Funds:		
ESEA - Title I - Administration (F).....	<u>2</u>	NEW: For school improvement and turnaround.
DEPARTMENT TOTAL	<u>14</u>	
EMERGENCY MANAGEMENT AGENCY		
General Fund:		
State Fire Commissioner.....	<u>1</u>	TRANSFERRED: From Domestic Preparedness - First Responders (F).
Federal Funds:		
Domestic Preparedness - First Responders (F).....	<u>-1</u>	TRANSFERRED: To State Fire Commissioner.
DEPARTMENT TOTAL	<u>0</u>	
ENVIRONMENTAL PROTECTION		
General Fund:		
Electronic Materials Recycling.....	<u>2</u>	NEW: For management of Covered Device Recycling Act.
HEALTH		
General Fund:		
General Government Operations.....	<u>-3</u>	TRANSFERRED: To Tobacco and Prevention Cessation.

Summary of 2016-17 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Federal Funds:		
Strengthening Public Health Infrastructure (F).....	-1	Eliminated position.
Tobacco Settlement Fund:		
Tobacco and Prevention Cessation.....	3	TRANSFERRED: From General Government Operations.
DEPARTMENT TOTAL	-1	
HUMAN SERVICES		
General Fund:		
General Government Operations.....	51	NEW: For Childline services (39). TRANSFERRED: From eHealth Partnership
County Administration - Statewide.....	21	NEW: For Community HealthChoices Initiative.
Mental Health Services.....	1	TRANSFERRED: From Homeless Mentally Ill (F).
General Fund Total	73	
Federal Funds:		
Homeless Mentally Ill (F).....	-1	TRANSFERRED: To Mental Health Services.
DEPARTMENT TOTAL	72	
MILITARY AND VETERANS AFFAIRS		
General Fund:		
General Government Operations.....	6	NEW: For the Office of Veterans Affairs (3), for the Veterans Registry (2) and for the Governor's Advisory Council on Veterans Services (1).
MILK MARKETING BOARD		
Milk Marketing Fund:		
General Operations.....	-3	Eliminated positions.
PROBATION AND PAROLE		
General Fund:		
General Government Operations.....	-1,288	TRANSFERRED: To Corrections & Rehabilitation.
Sexual Offenders Assessment Board.....	-39	TRANSFERRED: To Corrections & Rehabilitation.
'County Probation & Parole Officers' Firearm Education & Training Program.....	-3	TRANSFERRED: To Corrections & Rehabilitation.
DEPARTMENT TOTAL	-1,330	
REVENUE		
General Fund:		
General Government Operations.....	44	NEW: For implementation of tax changes.
STATE		
General Fund:		
Office for New Pennsylvanians.....	4	NEW: To staff new office.
GRAND TOTAL	251	

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Commonwealth of Pennsylvania

Governor's Executive Budget

STATISTICAL DATA

This section contains historical data for various Pennsylvania economic indicators. Data is obtained from published sources noted on each page. Additional data is available from the Penn State Data Center through their homepage at (www.pasdc.hbg.psu.edu/).

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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 \$7.5 billion in crop and livestock products annually. In 2014, agribusiness and food related industries had export sales surpassing \$1.3 billion in economic activity. Over 59,000 farms form the backbone of the state's agricultural economy. Farmland in Pennsylvania includes over four million acres of harvested cropland and three million acres of pasture and farm woodlands - nearly one-third of the commonwealth's total land area. Agricultural diversity in the commonwealth is demonstrated by the fact that Pennsylvania ranks among the top ten states in the production of a variety of agricultural products.

Pennsylvania's extensive public and private forests provide a vast source of material for the lumber, furniture and paper products industries. The forestry and related industries account for 1.5% of employment with economic activity of nearly \$5 billion in domestic and international trade. Additionally, the commonwealth derives a good water supply from underground sources, abundant rainfall, and a large number of rivers, streams and lakes. Other natural resources include major deposits of coal, petroleum and natural gas. Annually, about 66 million tons of anthracite and bituminous coal, 4 trillion cubic feet of natural gas and about 5.5 million barrels of oil are extracted from Pennsylvania. Pennsylvania is one of the top 10 producing states in the country for aggregate/crushed stone. The value of non-coal mineral production in PA is around \$1 billion dollars annually.

Pennsylvania is a Mid-Atlantic state within easy reach of the populous eastern seaboard as well as a gateway to the Midwest. A comprehensive transportation grid enhances the commonwealth's strategic geographic position. The commonwealth's water systems afford the unique feature of triple port coverage, a deep-water port at Philadelphia, a Great Lakes port at Erie and an inland water port at Pittsburgh. Between air, rail, water or road, Pennsylvania is easily accessible for both inter and intra state trade and commerce.

Population

The commonwealth is highly urbanized. Of the commonwealth's 2015 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, 12.8 million people in 2014, 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 2005 to 2014 and the age distribution of the population for 2014.

Population Trends Pennsylvania, Middle Atlantic Region and the United States 2005-2014

As of July 1	Total Population In Thousands			Total Population as a % of 2005 base		
	PA	Middle Atlantic Region ^(a)	U.S.	PA	Middle Atlantic Region ^(a)	U.S.
2005.....	12,418	40,370	295,753	100%	100%	100%
2006.....	12,471	40,451	296,593	100	100	100
2007.....	12,522	40,481	301,579	101	100	102
2008.....	12,566	40,697	304,374	101	101	103
2009.....	12,604	40,854	307,006	101	101	104
2010.....	12,711	40,913	309,326	102	101	105
2011.....	12,743	41,080	311,588	103	102	105
2012.....	12,763	41,198	313,914	103	102	106
2013.....	12,787	41,471	318,857	103	103	108
2014.....	12,807	41,555	321,418	103	103	109

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Commerce, Bureau of the Census.

Population By Age Group — 2014 Pennsylvania, Middle Atlantic Region and the United States

Age	Pennsylvania	Middle Atlantic Region ^(a)	United States
Under 5 years	5.6 %	5.8%	6.2 %
5-24 years.....	25.2	25.5	26.7
25-44 years.....	24.7	26.1	26.3
45-64 years.....	27.8	27.3	26.3
65 years and over	16.7	15.3	14.5

^(a) 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 2014 increased at an average annual rate of 0.02 percent compared with a 0.03 percent rate for the Middle Atlantic region and 0.04 percent rate for the U.S. The following table shows employment trends from 2005 through 2014.

Non-Agricultural Establishment Employment Trends Pennsylvania, Middle Atlantic Region and the United States 2005-2014

Calendar Year	Total Establishment Employment In Thousands			Total Establishment Employment as a % of 2005 base		
	PA	Middle Atlantic Region ^(a)	U.S.	PA	Middle Atlantic Region ^(a)	U.S.
2005.....	5,705	18,270	134,005	100 %	100 %	100 %
2006.....	5,759	18,437	136,398	101	101	101
2007.....	5,801	18,602	137,936	101	101	101
2008.....	5,803	18,634	137,170	101	101	101
2009.....	5,620	18,059	131,233	99	99	98
2010.....	5,625	18,031	130,275	99	99	98
2011.....	5,688	18,220	131,842	100	100	99
2012.....	5,729	18,428	134,104	101	101	101
2013.....	5,743	18,619	136,393	101	101	101
2014.....	5,790	18,836	139,042	101	101	101

^(a) Middle Atlantic Region: Pennsylvania, New York, New Jersey.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Non-manufacturing employment in Pennsylvania has increased in recent years and reached 90.2 percent of total employment by 2014. Consequently, manufacturing employment constitutes a diminished share of total employment within the commonwealth. Manufacturing, contributing 9.8 percent of 2014 non-agricultural employment, has fallen behind the services sector, the trade sector and the government sector as the 4th largest single source of employment within the commonwealth. In 2014, the services sector accounted for 48.7 percent of all non-agricultural employment while the trade sector accounted for 14.9 percent. The following table shows trends in employment by sector for Pennsylvania from 2010 through 2014.

Non-Agricultural Establishment Employment by Sector Pennsylvania 2010-2014 (In Thousands)

	CALENDAR YEAR									
	2010		2011		2012		2013		2014	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Manufacturing:										
Durable.....	334.3	5.9	342.0	6.0	347.5	6.1	346.1	6.0	346.1	6.0
Non-Durable.....	225.7	4.0	223.0	3.9	219.7	3.8	218.5	3.8	221.1	3.8
Total										
Manufacturing ^(d)	560.0	10.0	565.0	9.9	567.2	9.9	564.6	9.8	567.2	9.8
Non-Manufacturing:										
Trade ^(a)	847.7	15.1	852.9	15.0	857.8	15.0	856.5	14.9	860.2	14.9
Finance ^(b)	311.0	5.5	308.6	5.4	309.5	5.4	313.2	5.5	315.2	5.4
Services.....	2,662.5	47.3	2,716.7	47.8	2,758.4	48.1	2,783.8	48.5	2,817.2	48.7
Government.....	770.6	13.7	751.4	13.2	732.3	12.8	720.7	12.5	711.9	12.2
Utilities ^(c)	231.6	4.1	238.2	4.2	241.8	4.2	244.2	4.3	250.6	4.3
Construction.....	215.9	3.8	222.8	3.9	225.8	3.9	225.6	3.9	231.0	4.0
Mining.....	25.9	0.5	33.2	0.6	36.3	0.6	35.3	0.6	36.8	0.7
Total										
Non-Manufacturing ^(d)	5,065.2	90.0	5,123.8	89.9	5,161.9	90.1	5,179.3	90.2	5,222.9	90.2
Total Employees ^{(d)(e)}	5,625.2	100.0	5,688.8	99.8	5,729.1	100.0	5,743.9	100.0	5,790.1	100.0

(a) Wholesale and retail trade.

(b) Finance, insurance and real estate.

(c) Includes transportation, communications, electric, gas and sanitary services.

(d) Discrepancies occur due to rounding.

(e) Does not include workers involved in labor-management disputes.

Source: US Bureau of Labor Statistics.

The following table presents the percentages of non-agricultural employment in various sectors in Pennsylvania and the United States in 2014.

Non-Agricultural Establishment Employment by Sector Pennsylvania and the United States

	2014 Calendar Year	
	Pennsylvania	United States
Manufacturing.....	9.8 %	8.7 %
Trade ^(a)	14.9	15.2
Finance ^(b)	5.4	5.7
Services.....	48.7	45.8
Government.....	12.2	15.7
Utilities ^(c)	4.3	3.9
Construction.....	4.0	4.4
Mining.....	0.7	0.6
Total.....	100.0 %	100.0 %

(a) Wholesale and retail trade.

(b) Finance, insurance and real estate.

(c) Includes transportation, communications, electric, gas and sanitary services.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Within the manufacturing sector of Pennsylvania's economy, which now accounts for about one-tenth of total non-agricultural employment in Pennsylvania, the fabricated metals industries employed the largest number of workers. Employment in the fabricated metals industries is 14.3 percent of Pennsylvania manufacturing employment but only 1.4 percent of total Pennsylvania non-agricultural employment in 2014. The following table shows trends in manufacturing employment by industry for Pennsylvania from 2010 through 2014.

Manufacturing Establishment Employment by Industry
Pennsylvania
2010-2014
(In Thousands)

	CALENDAR YEAR									
	2010		2011		2012		2013		2014	
	Employees	%	Employees	%	Employees	%	Employees	%	Employees	%
Durable Goods:										
Primary Metals.....	36.2	6.5	38.5	6.8	39.7	7.0	39.4	7.0	38.9	6.9
Fabricated Metals.....	77.6	13.9	80.3	14.2	81.7	14.4	80.8	14.3	81.0	14.3
Machinery (excluding electrical)	45.2	8.1	47.0	8.3	48.8	8.6	48.5	8.6	48.0	8.5
Electrical Equipment.....	24.7	4.4	25.9	4.6	26.0	4.6	26.0	4.6	26.0	4.6
Transportation Equipment.....	36.9	6.6	37.6	6.7	39.1	6.9	38.9	6.9	38.4	6.8
Furniture Related Products.....	14.9	2.7	15.1	2.7	15.1	2.7	14.9	2.6	15.0	2.8
Other Durable Goods.....	98.8	17.6	97.6	17.3	97.1	17.1	97.6	17.3	98.8	17.4
Total Durable Goods ^(a)	334.3	59.7	342.0	60.5	347.5	61.3	346.1	61.3	346.1	61.1
Non-Durable Goods:										
Pharmaceutical/Medicine.....	21.3	3.8	20.2	3.6	19.0	3.3	17.9	3.2	17.4	3.1
Food Products.....	66.5	11.9	66.7	11.8	67.1	11.8	67.8	12.0	69.9	12.3
Chemical Products.....	43.0	7.7	42.2	7.5	41.2	7.3	40.6	7.2	39.8	7.0
Printing and Publishing.....	28.2	5.0	27.0	4.8	25.5	4.5	24.8	4.4	24.7	4.3
Plastics/Rubber Products.....	35.2	6.3	35.3	6.2	35.2	6.2	35.3	6.3	36.1	6.3
Other Non-Durable Goods.....	31.5	5.6	31.6	5.6	31.7	5.6	32.1	5.7	33.2	5.9
Total Non-Durable Goods ^(a) ...	225.7	40.3	223.0	39.5	219.7	38.7	218.5	38.7	221.1	38.9
Total Manufacturing Employees ^(a)	560.0	100.0	565.0	100.0	567.2	100.0	564.6	100.0	567.2	100.0

^(a) Discrepancies occur due to rounding

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Unemployment

Pennsylvania's annual average unemployment rate was equivalent to the national average throughout the 2000s. Slower economic growth caused the unemployment rate in the commonwealth to rise to 8.5 percent in 2010 compared to 4.4 percent annual unemployment rate in 2007. As of November 2015, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 5.0 percent. The following table represents the annual non-adjusted unemployment rate in Pennsylvania, the Middle Atlantic Region, and the United States from 2005 through 2014.

Annual Average Unemployment Rate Pennsylvania, Middle Atlantic Region and the United States 2005-2014

Calendar Year	Pennsylvania	Middle Atlantic Region ^(a)	United States
2005.....	5.0 %	4.9 %	5.1 %
2006.....	4.6	4.6	4.6
2007.....	4.4	4.4	4.6
2008.....	5.3	5.4	5.8
2009.....	8.0	8.4	9.3
2010.....	8.5	8.8	9.6
2011.....	7.9	8.4	8.9
2012.....	7.9	8.5	8.1
2013.....	7.4	7.7	7.4
2014.....	5.8	6.2	6.2

^(a) 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 2015

<u>Company</u>	<u>Rank</u>	<u>Company</u>	<u>Rank</u>
Wal-Mart Associates	1	Vanguard Group Inc.	16
University of Pennsylvania	2	Milton S. Hershey Medical Center	17
Giant Food Stores	3	Merck Sharp & Dohme Corp.....	18
Pennsylvania State University	4	Temple University.....	19
UPMC Presbyterian	5	US Airways Inc	20
United Parcel Service.....	6	WAWA Inc.....	21
University of Pittsburgh	7	K-MART Corp.	22
PNC Bank, NA	8	Heartland Employment Services.....	23
Lowe's Home Centers Inc.....	9	Western Penn Allegheny Health	24
Giant Eagle Inc.....	10	Pennsylvania CVS Pharmacy, LLC	25
Weis Markets Inc	11	Sheetz Inc.....	26
Home Depot USA Inc	12	Thomas Jefferson University Hospital	27
Comcast Cablevision Corp.....	13	Eat'n Park Hospitality Group.....	28
The Children's Hospital of Philadelphia.....	14	Wegmans Food Markets Inc.....	29
Target Corporation	15	Amazon.Com DEDC LLC	30

Source: Pennsylvania Department of Labor, Office of Employment Security.

Personal Income

Personal income in the commonwealth for 2014 was \$609.6 billion, an increase of 3.6 percent over the previous year. During the same period, national personal income increased by 4.3 percent. Based on the 2014 personal income estimates, per capita income was at \$47,679 in the commonwealth compared to per capita income in the United States of \$46,049. The following tables represent annual personal income data and per capita income from 2005 through 2014.

Personal Income Pennsylvania, Mideast Region and the United States 2005-2014

Year	Total Personal Income Dollars in Millions			Total Personal Income As a % of 2005 base		
	PA	Mideast Region ^(a)	U.S. ^(b)	PA	Mideast Region ^(a)	U.S.
2005.....	\$ 447,084	\$1,936,415	\$10,610,320	100 %	100 %	100 %
2006.....	477,939	2,073,430	11,381,350	107	107	107
2007.....	503,610	2,198,474	11,995,419	113	113	113
2008.....	525,622	2,278,982	12,492,705	117	118	117
2009.....	516,623	2,230,728	12,079,444	115	115	113
2010.....	532,816	2,303,447	12,459,613	119	119	117
2011.....	560,970	2,425,871	13,233,436	125	125	124
2012.....	584,630	2,521,989	13,904,485	131	130	131
2013.....	588,296	2,534,019	14,064,468	131	131	132
2014.....	609,679	2,635,988	14,683,147	136	136	138

^(a) Mideast Region: Pennsylvania, New York, New Jersey, Maryland, District of Columbia, and Delaware.

^(b) Sum of States.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Per Capita Income Pennsylvania, Mideast Region and the United States 2005-2014

Calendar Year	Per Capita Income			As a % of U.S.	
	PA	Mideast Region ^(a)	U.S.	PA	Mideast Region ^(a)
2005.....	\$ 35,910	\$ 40,992	\$ 35,904	100 %	114 %
2006.....	38,202	43,804	38,144	100	115
2007.....	40,084	46,309	39,821	100	116
2008.....	41,675	47,793	41,082	101	116
2009.....	40,785	46,528	39,376	103	118
2010.....	41,918	47,781	40,277	104	118
2011.....	44,018	50,038	42,453	103	117
2012.....	45,781	51,790	44,266	103	117
2013.....	46,028	51,819	44,438	104	116
2014.....	47,679	53,749	46,049	103	116

^(a) 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 2010 through 2014.

Annual Growth Rates Personal Income and Selected Components of Personal Income Pennsylvania, Mideast Region and the United States

Calendar Year	Pennsylvania	Mideast Region ^(a)	United States
Total Personal Income			
2010.....	3.1%	3.3 %	3.1%
2011.....	5.3	5.3	6.2
2012.....	4.2	4.0	5.1
2013.....	0.6	0.5	1.2
2014.....	3.6	4.0	4.4
Manufacturing			
2010.....	1.3%	-0.1%	1.2%
2011.....	4.4	1.9	5.6
2012.....	2.1	1.0	4.1
2013.....	-0.1	-0.3	1.1
2014.....	3.6	2.6	4.4
Trade^(b)			
2010.....	1.8%	1.8%	1.4%
2011.....	6.5	5.6	5.9
2012.....	2.2	4.5	5.4
2013.....	1.8	0.9	2.4
2014.....	5.3	4.5	5.0
Finance^(c)			
2010.....	3.2%	10.3%	5.9%
2011.....	2.5	1.4	0.6
2012.....	4.3	0.1	5.4
2013.....	1.9	-1.2	-1.1
2014.....	5.7	8.2	6.3
Services			
2010.....	-0.9%	0.1%	0.6%
2011.....	5.5	7.1	6.9
2012.....	5.0	5.0	6.0
2013.....	2.0	1.7	1.7
2014.....	3.7	5.3	5.8
Utilities			
2010.....	2.9%	5.8%	1.9%
2011.....	10.2	5.0	5.3
2012.....	-4.8	-3.3	-2.7
2013.....	2.7	1.1	3.8
2014.....	2.6	5.7	4.9
Construction			
2010.....	0.7%	-0.8%	-3.7%
2011.....	5.1	3.7	2.2
2012.....	5.7	5.8	7.6
2013.....	1.8	3.5	4.6
2014.....	6.7	7.2	8.6
Mining			
2010.....	35.5%	23.1%	20.5%
2011.....	45.7	34.7	33.8
2012.....	15.5	4.0	12.3
2013.....	8.5	10.7	5.1
2014.....	9.3	8.5	7.3

^(a) Mideast Region: Delaware, District of Columbia, Maryland, Pennsylvania, New York, and New Jersey.

^(b) Wholesale and retail trade.

^(c) Finance and insurance.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The commonwealth's average hourly wage rate of \$19.02 for manufacturing and production workers compares to the national average of \$19.56 for 2014. The following table presents the average hourly wage rates for 2010 through 2014.

Average Hourly Wages Production Workers on Manufacturing Payrolls Pennsylvania and the United States 2010-2014

Calendar Year	PA	U.S.
2010.....	\$ 16.88	\$ 18.61
2011.....	17.49	18.93
2012.....	18.26	19.08
2013.....	19.16	19.30
2014.....	19.02	19.56

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 2005-2014

Year	Market Value ^(a)	Assessed Valuation	Ratio of Assessed Valuation to Market Value ^(a)
2005	546,222,770,500	378,011,903,306	69.2%
2006	619,788,036,800	393,869,708,825	63.5
2007	633,886,898,100	400,428,104,035	63.1
2008	708,521,506,000	406,426,527,325	57.3
2009	717,475,983,911	431,911,595,146	60.2
2010	753,847,457,900	436,995,393,629	57.9
2011	756,045,833,849	451,343,272,265	59.7
2012	753,344,175,841	452,361,346,637	60.0
2013	781,362,158,748	499,743,087,376	63.9
2014	801,633,782,130	591,554,200,204	73.7

^(a) 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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