

COMMONWEALTH OF PENNSYLVANIA

1999-2000

Governor's Executive Budget



TOM RIDGE
GOVERNOR

The statue *Commonwealth* has adorned the dome of the Pennsylvania State Capitol building for 93 years and was restored to her original beauty in 1998.

The three-ton, bronze gilded statue was designed by Capitol architect Joseph Huston and sculpted by Roland Hinton Perry. Imaginative citizens have called her "Miss Penn", "the Spirit of Commonwealth" and even "Letitia", on the assumption that William Penn's daughter was the artist's inspiration. However, Perry said his work was purely symbolic, an "embodiment of the Commonwealth of Pennsylvania." The statue's right arm is outstretched, representing mercy, and her left hand grasps a staff topped with a flowing ribbon garland, symbolizing justice. A federal eagle also stands on the staff.

That *Commonwealth* required restoration was beyond question. Placed on the dome in 1905, the statue had been regilded in the 1940s, then left largely untouched - except by the harsh elements. As a result, the bolts that secured her feet were rusting and her face and body were pocked and scarred. Initially, experts had considered repairing the statue without removing her from the dome. However, the complicated work would have been difficult to complete safely in the high winds and changeable weather atop the Rotunda. The best option to repair the damage was to remove the statue and complete the renovation at a special facility.

After a nine-month restoration, the newly regilded *Commonwealth* was lifted by helicopter and carefully installed on her perch to resume her watch over the Capitol and all of Pennsylvania.

Photograph Courtesy: Commonwealth Media Services



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

February 2, 1999

To the People of Pennsylvania,

Pursuant to Article VIII Section 12 of the Constitution of Pennsylvania, and Section 613 of the Administrative Code of 1929 (71 P.S. Section 233) I am today transmitting to your elected representatives in the General Assembly my proposed State budget for the fiscal year that begins July 1, 1999, and ends on June 30, 2000.

As we embark once again on our annual budget deliberations, the state of our Commonwealth is robust and vibrant. More Pennsylvanians are working than ever before and unemployment remains near historic lows. Crime is down, and Pennsylvanians are moving off welfare – and into the workforce – by the tens of thousands. The State's fiscal house is in order too. We've been cutting taxes, saving Pennsylvanians a cumulative total of \$3.9 billion since 1995 and we're working hard to keep them down. We've cut the growth rate of government spending nearly in half, and we're saving much of that money to prevent future tax increases. With this budget, the balance in our Rainy Day Fund is projected to exceed \$785 million compared to its \$66 million balance when this Administration began. Financial experts across the nation have noticed. The three major Wall Street rating agencies each have improved their Pennsylvania rating, saving taxpayers millions through lower interest rates on bond issues.

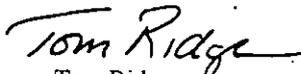
This budget aspires to continue that momentum as Pennsylvania leaves the 20th Century for the 21st, and the second millennium for the third. It cuts taxes to the General Fund and other funds by more than \$273 million, the largest proposed tax cut of my Administration. Those tax cuts will benefit manufacturers, more than 150,000 small businesses, high-technology start-up companies and some two million Pennsylvania families.

General Fund spending grows by a modest 2.9 percent in this budget, but with significant new investments in priority areas such as education, public safety, technology, children's health care, the environment and support for Pennsylvanians moving from welfare to work.

In summary – this budget cuts taxes dramatically. It invests judiciously. And it does all those things the same way a Pennsylvania family manages its money – by living within our means, and setting some of our money aside for an economic downturn that we know someday will come.

It is my hope that you will find this budget document to be informative and easy to use. Under the direction of my able Budget Secretary, Robert A. Bittenbender, our Office of the Budget last year was honored, for the first time, with the Distinguished Budget Presentation Award by the Government Finance Officers Association for its 1998-99 Governor's Executive Budget. We welcome any suggestions you have to further improve this important publication.

Very truly yours,


Tom Ridge



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

**PRESENTED TO
Commonwealth of
Pennsylvania**

**For the Fiscal Year Beginning
July 1, 1998**

Douglas R. Ellsworth
President

Jeffrey L. Esall
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, 1998. 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.

Overview of Sections within the Budget

Preface

Includes the Governor's letter, Distinguished Budget Presentation Award, an overview of sections within the budget, table of contents and a reader's guide which explains the budget process, structure of the budget and various terms used in the budget.

A. Overview and Summaries

Provides an overview of program and financial goals and administration policies. It discusses the economic outlook, major operating funds and overall complement. It also summarizes the budget for several major Commonwealth funds including the General Fund, Motor License Fund, Lottery Fund, and Tax Stabilization Reserve (Rainy Day) Fund and provides summary information regarding 1999-00 Program, Policy Direction, and Budget Themes, PRIME, Green Government, Federal Block Grants and Public Information & Communications.

B. Program Budget Summary

Provides a summary of the 1999-00 Budget by major revenue source and provides information for each major program by component categories and subcategories (subdivisions of programs).

C. Summary by Fund

Provides a summary for the General Fund, the major operating fund of the Commonwealth, and ten selected special funds. Detailed data regarding revenues and a summary of expenditures for each individual fund is presented. Detailed expenditure 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. Program performance measures including impacts, workload, outputs and need/demand estimators for those programs administered by the agency are presented.

F. Capital Budget

Provides detailed information by agency regarding proposed capital budget projects recommended in 1999-00. In addition, proposed funding sources and amounts needed to support capital programs for the next five years are listed.

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 for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.

J. Statistical Data

Provides historical data for various Pennsylvania economic indicators.

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READER'S GUIDE

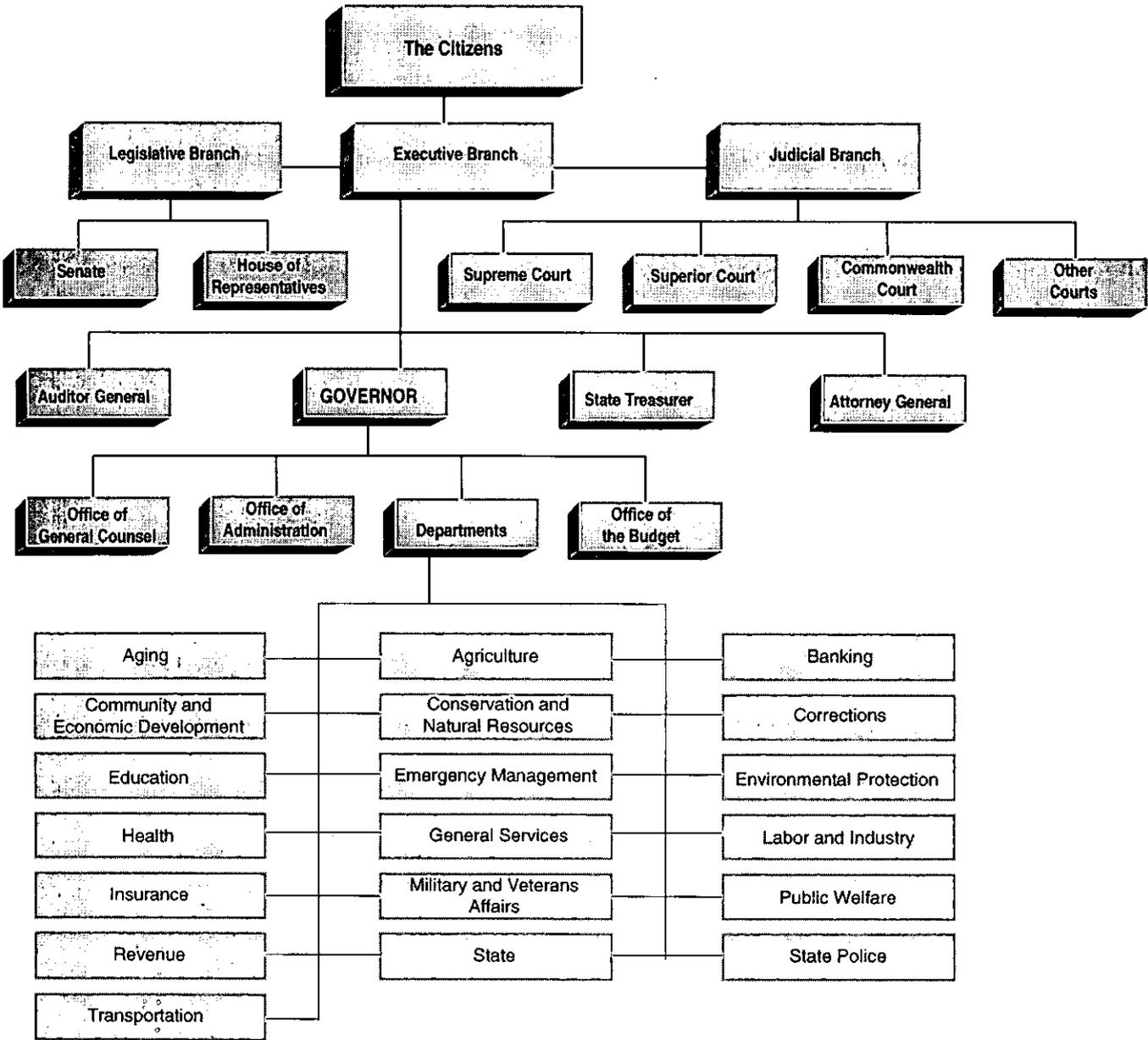
This section of the budget is intended to assist readers with interpreting and understanding the content of the Governor's annual recommended budget.

It contains an organization chart of the Commonwealth, descriptions of the operating and capital budget processes, an explanation of the accounting basis, terms used in the budget process and a list of the most common abbreviations used to identify Federal funds.

The government of the Commonwealth is composed of three separate branches: Executive, Legislative and Judicial. The general organization chart of Commonwealth government shown on the following page provides additional details.



**Commonwealth of Pennsylvania
Organization Chart**



AGENCIES

- Higher Education Assistance
- Housing Finance
- Interstate Agencies

AUTHORITIES

- Energy Development
- Higher Education Facilities
- Industrial Development
- Infrastructure Investment
- Minority Business Development
- Public School Building
- Transportation Assistance

BOARDS

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

COMMISSIONS

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

The Budget Process

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

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

PHASES OF THE BUDGET PROCESS

The State budget process can be divided into four stages: 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 stage of the budget process begins nearly twelve months prior to the start of that fiscal year. The first step of the preparation stage is the distribution of the Budget Instructions and Program Policy Guidelines by the Governor. The Program Policy Guidelines define major policy issues, spell out priorities and provide policy direction to the agencies for budget preparation.

Agency budget requests are submitted to the Office of the Budget beginning in mid-October but not later than November 1. Agencies prepare and submit their requests using computerized systems. 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 Office of the Budget.

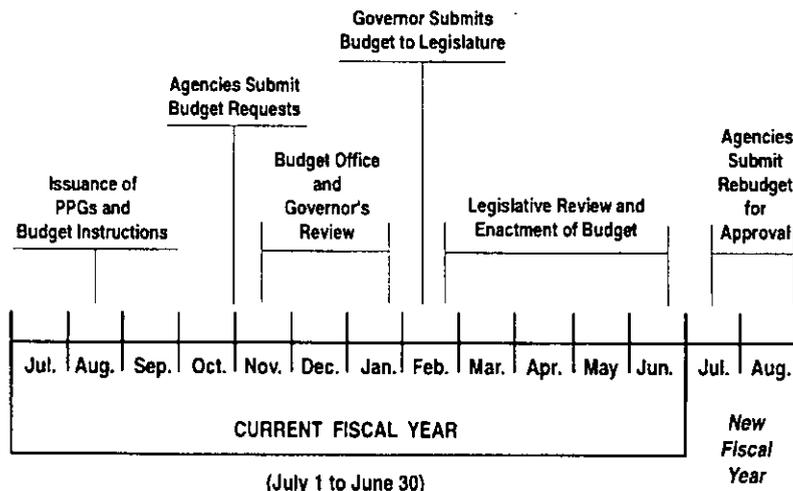
During December, the Governor meets with Legislative leaders to apprise them of anticipated spending and revenue levels and to discuss major fiscal issues expected to be addressed in the upcoming budget.

The Secretary of the Budget and his staff review agency budget requests for accuracy and for adherence to the Governor's policy guidelines. The Agency Program Plan and the appropriation templates are used by the Office of the Budget 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, in conjunction 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 budget request, the Appropriations Committees of the House 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 make their decisions on the budget which are reflected in the General Appropriation Bill and individual appropriation bills. The General Appropriation Bill contains appropriations for the executive, legislative and judicial departments, public schools and for public debt. All other appropriations are made individually by separate special bills.

BUDGET CYCLE IN PENNSYLVANIA



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

EXECUTION

The Office of the Budget has the authority to request and approve agency spending plans, commonly referred to as rebudgets. The rebudgets are based primarily on the enacted appropriations. The Office of the Budget uses the Integrated Central System to electronically enter 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 stage of the budget cycle, which occurs after the close of the fiscal year, encompasses audit and review of program and financial performance. The Office of the Budget 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

The capital budget process in Pennsylvania is similar to the process for operating budgets. It 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 the budget requests to the Secretary of the Budget beginning in mid-October through November 1, a capital budget request itemizing the projects the agencies want to undertake is also submitted. The requests are reviewed and recommendations developed based on the Governor's financial parameters and policies.

Final decisions on the capital budget are made by the Governor at the same time as those for the operating budget. The Governor's final recommendations are contained in a separate Capital Budget section in the Governor's Executive Budget document which is submitted to the General Assembly.

The recommendations in the budget document 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 Project Itemization Act taking into consideration his priorities, the importance of the project and the impact on operating budgets. The Governor may sign 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.

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

The Structure of the Budget

THE COMMONWEALTH PROGRAM PLAN

The budget presentation for each department or agency is shown on an appropriation basis and also on a program/subcategory basis. Program/subcategory explanations, analyses and measures are shown by individual departments. A summary presentation by Commonwealth Program shows program costs according to seven major program classifications. These program classifications are each defined in terms of broadly stated goals of State Government. One of these Commonwealth Programs, Direction and Supportive Services, includes the costs of supporting administrative functions which affect the overall operations of the Commonwealth. The remaining Commonwealth Programs are substantive in nature and deal with costs related to the following areas:

- Protection of Persons and Property
- Intellectual Development and Education
- Health and Human Services
- Economic Development
- Transportation and Communication
- Recreation and Cultural Enrichment

Each of the seven Commonwealth Programs is subdivided into program categories defined by goals that are more specific in nature. Program categories are broken down into program subcategories which are defined by program objectives. It is at the program subcategory level that program explanations, analyses and measures are shown by individual department. To clearly show the link between the Commonwealth Program Plan and agency program subcategories, identical or similar titles have been used in both places. Debt service continues to be shown in all Commonwealth Programs but is not merged with program expenditures. It is shown in a separate program category so that direct program expenditures may be seen more clearly.

THE DEPARTMENTAL PRESENTATION

Recommendations for the continuation of current programs at essentially current levels of commitment are shown within departmental program subcategories. Recommendations for major program changes in 1999-00 are identified as departmental Program Revision Requests (PRRs) which provide explanations and justification for the change.

Beyond 1999-00, the projections of financial data, as well as impacts and other program measures, show the future implications of the 1999-00 recommendations and policies. Consequently, the five-year plan is a base line which represents the future program effort and financial resources needed to sustain the 1999-00 level of commitment.

To assist in understanding the individual agency presentations, descriptive information and detailed samples are shown in following pages.

Summary By Fund And Appropriation

Identifies the State appropriation and those Federal funds, augmentations, and other funds which supplement the activities within that individual State appropriation. The following key will help to identify individual items:

General Government Operations — A title which identifies a specific appropriation by the General Assembly or an executive authorization (EA) by the Governor to spend State monies.

For purposes of this presentation, State funds include the General, Motor License, Banking Department, Boat, Farm Products Show, Fish, Game, Keystone Recreation, Park and Conservation, Lottery, Milk Marketing and Racing funds.

(F) Identifies a Federal appropriation by the General Assembly or an executive authorization by the Governor to spend Federal monies. Medical Assistance is an example of Federal funds.

The amounts shown as "Federal funds" 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 Federal funds are appropriated, they are deposited as General Fund revenues rather than augmentations. They are not, however, included in the revenue sections of the budget, but are shown with the State funds which they supplement.

For the sake of brevity and ease of identification, common abbreviations are used in the Federal titles. The most common are listed at the end of this Reader's Guide.

(A) Identifies monies which augment a State appropriation. Institutional collections are an example of an augmentation.

(R) Identifies funds which are in a restricted account and which may only be spent for very limited purposes related to the State appropriation. Receipts from snowmobile regulations are an example of a restricted account.

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 appropriations acts. When this occurs, explanations have been included within the agency presentations.

Program Presentation

Each Program Presentation provides a written and financial explanation of the activities of the program. These include:

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

Narrative—Describes program services and activities.

Program Recommendations—Identifies the increases or decreases over the available year funds as presented in the summary by fund and appropriation.

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

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

Program Measures—Indicate the expected impact of the proposed budget on services, costs, etc., involved in the program.

Section H of this document provides brief descriptive and financial data for those special funds of the Commonwealth not given an expanded treatment in other sections of the budget.

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 is a Character of Expenditure — 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) Historic Preservation
(F) Intermodal Surface Transportation Safety Act
(F) Railroad Museum Improvement
(F) Erie Maritime Center
(A) Historic Preservation Fund
(R) Keystone Fund

Subtotal

Records and Management Information

Maintenance Program

Subtotal - State Funds

Subtotal - Federal Funds

Subtotal - Augmentations

Total - General Government

Grants and Subsidies:

Museum Assistance Grants
University of Pennsylvania Museum
Carnegie Museum of Natural History
Franklin Institute Science Museum
Academy of Natural Sciences
Carnegie Science Center
Afro-American Historical and Cultural Museum
Museum of Scientific Discovery

Total - Grants and Subsidies

STATE FUNDS

FEDERAL FUNDS

AUGMENTATIONS

GENERAL FUND TOTAL

KEYSTONE RECREATION, PARK AND CONSERVATION FUND:

Grants and Subsidies:

Historic Site Development - Bond Proceeds
Historic Site Development - Realty Transfer Tax

Total - Grants and Subsidies

KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL

OTHER FUNDS:

GENERAL FUND:

Historic Preservation Act of 1966

HISTORICAL PRESERVATION FUND:

Historic Preservation Fund

DEPARTMENT TOTAL - ALL FUNDS

GENERAL FUNDS

SPECIAL FUNDS

FEDERAL FUNDS

AUGMENTATIONS

OTHER FUNDS

TOTAL ALL FUNDS



Land and Museum Commission

Appropriation

(Dollary Amounts in Thousands)

1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
\$ 15,354	\$ 16,794	\$ 18,891
1,059	1,100	1,000
52	47	0
312	1,312	0
50	50	10
435	400	400
0	230	232
<u>\$ 17,262</u>	<u>\$ 19,933</u>	<u>\$ 23,291</u>
<u>\$ 450</u>	<u>\$ 444</u>	<u>\$ 0</u>
<u>\$ 944</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
\$ 16,748	\$ 18,238	\$ 19,891
1,473	2,509	1,010
435	630	632
<u>\$ 18,656</u>	<u>\$ 21,377</u>	<u>\$ 21,533</u>
\$ 4,930	\$ 5,400	\$ 4,000
181	181	181
181	181	181
547	547	547
335	335	335
181	181	181
256	256	256
100	100	100
<u>\$ 6,711</u>	<u>\$ 7,181</u>	<u>\$ 5,781</u>
\$ 23,459	\$ 25,419	\$ 25,672
1,473	2,509	1,010
435	630	632
<u>\$ 25,367</u>	<u>\$ 28,558</u>	<u>\$ 27,314</u>
\$ 3,403	\$ 0	\$ 0
6,341	4,555	4,646
<u>\$ 9,744</u>	<u>\$ 4,555</u>	<u>\$ 4,646</u>
<u>\$ 9,744</u>	<u>\$ 4,555</u>	<u>\$ 4,646</u>
<u>\$ 930</u>	<u>\$ 80</u>	<u>\$ 80</u>
<u>\$ 4,301</u>	<u>\$ 6,500</u>	<u>\$ 5,500</u>
\$ 23,459	\$ 25,419	\$ 25,672
9,744	4,555	4,646
1,473	2,509	1,010
435	630	632
5,231	6,580	5,580
<u>\$ 40,342</u>	<u>\$ 39,693</u>	<u>\$ 37,540</u>

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 Appropriations.

Identifies one of a group of special funds which are presented fully in Section C: Summary by Fund. For purposes of this presentation, State funds include the General, Motor License, Banking Department, Boat, Farm Products Show, Fish, Game, Keystone Recreation, Park, and Conservation, Lottery, Milk Marketing and Racing funds.

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

PROGRAM OBJECTIVE: To manage resources through a comprehensive history to interpret, research and preserve all are

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 in 1999-00 are identified as department Program Revision Requests (PRRs), which provide explanations and justification for the change.

Program: State Historic Preservation

The State Historical 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 element provides general policy and direction for administering the commission's operations. It includes legislative and press relations, personnel management, procurement, information technology, financial grant administration, fiscal and revenue management, and other services. In addition, it administers a Property Management and Lease Program through cooperative agreements with management groups or profit and nonprofit organizations to operate, maintain and utilize historic sites, buildings and agricultural lands under the custody of the commission.

Program Measures:

Historic Preservation

Objects maintained and conserved (in thousands)	2,000	2,000
Commission buildings undergoing improvement	88	76

The measure "Commission buildings undergoing improve because 1) all bond funds under the Keystone Recreation, Par June 30, 1997 and 2) revised approach to managing mainten

Program Recommendations:

This budget

\$ 230	General Government Operations
1,000	—to continue current program.
	—PRR — Administrative Support for Historic Sites. To provide administrative support necessary to open the Erie Maritime Museum, and for the expansion of the Railroad Museum of Pennsylvania, and the Somerset Historical Center. See the Program Revision following this program for additional information.
\$ 1,230	<i>Appropriation Increase</i>

Appropriations within this Program:

	1997-98 Actual	1998-99 Available
GENERAL FUND:		
General Government Operations	\$ 15,354	\$ 16,794
Records and Management Information	450	4444
Maintenance Program	944	1,000
TOTAL GENERAL FUND	\$ 16,748	\$ 18,238

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.



Historical and Museum Commission

Identifies the agency being presented.

to identify, protect and safeguard Pennsylvania's historic and museum program to educate and preserve Pennsylvania history.

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

The Commission's program focuses upon objectives which can be measured in terms of quantifiable impact.

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

Program Element: Historic Preservation

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

This element 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; provide a survey and National Register nomination program; maintain an information network providing direction and assistance to local preservation organizations; administer an archeological program to improve policies and procedures and provide direction to the professional and advocational community; and preserve and protect endangered historic public and private buildings, structures and landmarks through a nonprofit Statewide revolving fund.

Narrative — Describes program services and activities.

2,000	2,000	2,000	2,000	2,000
50	50	50	50	50

Program Measures — Indicates the expected impact of the proposed budget on services, costs, etc., involved in the program.

has been reduced substantially from last year's budget and Conservation Fund are anticipated to be expended by the projects.

recommends the following changes: (Dollar Amounts in Thousands)

\$	-6	Records and Management Information —to continue current program.
\$	56	Maintenance Program —to continue current program.

(Dollar Amounts in Thousands)

1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
18,891	\$ 19,916	\$ 20,262	\$ 20,610	\$ 20,973
0	0	0	0	0
1,000	1,020	1,040	1,061	1,082
<u>19,891</u>	<u>\$ 20,936</u>	<u>\$ 21,302</u>	<u>\$ 21,671</u>	<u>\$ 22,055</u>

Budget Basis of Accounting

The Commonwealth's 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 Commonwealth's budgets are prepared essentially on a modified cash basis. Total appropriations enacted by the General Assembly may not exceed the ensuing fiscal year's estimated revenues, as developed by the Governor, plus (less) the unappropriated fund balance (deficit) of the preceding fiscal year, except for constitutionally authorized debt service payments.

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. Unencumbered and unexpended appropriations return to the fund balance at fiscal year end and become available for appropriation in the subsequent year. On the budgetary basis of accounting, certain estimated tax revenue accruals are recorded at fiscal year end for the General Fund and the Motor License Fund, a Special Revenue Fund. Accruals include sales and use taxes and personal income taxes, both applicable to the General Fund, and liquid fuels taxes applicable to the Motor License Fund, which are estimated to be owed to the Commonwealth but not collected at fiscal year end. Also, estimated encumbrances are established for all funds at fiscal year end to pay direct such as salaries, wages, travel, and utility costs payable against prior year appropriation authority but expended in the subsequent year. Over-estimates of prior year encumbrances are lapsed in the subsequent year and under-estimates are charged to subsequent, then current, year appropriations.

Budgets are statutorily adopted each fiscal year for the General Fund and the following special revenue funds: Banking, Lottery, Milk Marketing, Motor License and Workmen's Compensation Administration.

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.

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

GAAP Basis of Accounting

The budgetary basis financial information maintained by the Commonwealth to monitor and enforce budgetary control is adjusted at fiscal year-end to reflect appropriate accruals for financial reporting in conformity with generally accepted accounting principles (GAAP). The use of GAAP requires a modified accrual basis of accounting for governmental and certain fiduciary fund types whereby revenues are recognized when they become both measurable and available to finance expenditures and whereby expenditures are generally recognized and recorded when a liability to make a payment, regardless of when the cash disbursement is to be made, is incurred. For proprietary and certain fiduciary fund types, GAAP requires a full accrual basis of accounting.

Terms Used in the Budget Process

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.

Balanced Budget: A budget in which proposed expenditures equal actual and estimated revenues and surplus. The Pennsylvania Constitution 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.

Capital Budget: The capital budget is that portion of the State Budget that deals with projects for the construction, renovation, improvement, acquisition and 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. Most of the capital budget projects in the past have been paid from monies raised by the sale of bonds.

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

Deficit: A fiscal condition that may occur at the end of a fiscal year, whereby expenditures for a fiscal year exceed the actual cash intake of 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 an expenditure pursuant to a contract, a purchase order, or a known invoice but where an actual disbursement has not been made. In accrual accounting it is treated as a debit against the appropriation in the same manner as a disbursement of cash.

Executive Authorization: An authorization made in the name of the Governor to spend money from funds which 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 in the case of Tax Anticipation Notes interest and Sales Tax refunds.

Expenditure: As contrasted with disbursement, an accounting entry which is both the payment of cash and/or any encumbrance, as in accrual accounting.

Federal Funds Appropriation: 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. Definition of years:

Actual Year – Includes all expenditures and encumbrances chargeable to that fiscal year as of June 30 of the previous year plus any supplementals 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 – State funds include amounts appropriated to date and supplemental appropriations recommended in this Budget. In the case of Federal funds, the best estimate currently

available. 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 which may be effective in a future year.

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. It has been 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 Bill: A single piece of legislation containing numerous individual appropriations. The General Appropriation Bill 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 bills 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.

Item Veto: The Pennsylvania Constitution 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 moneys from an appropriation or executive authorization to the fund from which the money originally came. Most appropriations are for one fiscal year and any unencumbered and unexpended monies usually lapse automatically at the end of that fiscal year.

Mandated Expenditures: Expenditures that are authorized and required by legislation, other than appropriation acts, or required by the 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 which 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 impact indicators. Ideally accomplishments are intended effect (impact) upon individuals, the environment and upon 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 found at the program subcategory level.

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

Operating Budget: The operating budget is that portion of the State budget that deals with the general day to day activities and expenses of State Government, paid out of revenues derived from taxes, fees for licenses and permits, etc.

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 Measure: A general term applied to any of the substantive measures found in the agency programs. Included are impacts, outputs and need and/or demand estimators.

Program Revision Request (PRR): A PRR is submitted to support new programs or major changes in existing programs. The PRR reflects the guidance provided by the Governor's Annual Program Policy Guidelines (PPGs), results obtained from special analytic studies, and needs or demands considered relevant by the Governor.

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.

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: Motor License Fund, Game Fund and Boat Fund.

Surplus: A fiscal condition 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 year.

Federal Funds Identification

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

ADA	Americans with Disabilities Act
AFDC	Aid to Families with Dependent Children
ARC	Appalachian Regional Commission
BG	Block Grant
CCDBG	Child Care and Development Block Grant
CCDFBG	Child Care and Development Fund Block Grant
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
EPA	Environmental Protection Agency
EPCA	Energy Policy and Conservation Act
ESEA	Elementary and Secondary Education Act
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
HHS	Health and Human Services
HUD	Department of Housing and Urban Development
JTPA	Job Training Partnership Act
LIHEABG	Low-Income Home Energy Assistance Block Grant
LSTA	Library Services and Technology Act
LWCF	Land and Water Conservation Fund
MA	Medical Assistance
MAGLOLEN	Middle Atlantic Great Lakes Organized Crime Law Enforcement Network
MCH	Maternal and Child Health
MCHSBG	Maternal and Child Health Services Block Grant
MH/MR	Mental Health/Mental Retardation Services
MHSBG	Mental Health Services Block Grant
NEA	National Endowment for the Arts
NPDES	National Pollutant Discharge Elimination 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
SCDBG	Small Communities Development Block Grant
SDA	Service Delivery Area
SSA	Social Security Act
SSBG	Social Services Block Grant
SSI	Supplemental Security Income
TANFGB	Temporary Assistance to Needy Families Block Grant
WIC	Women, Infants and Children Program
YDC	Youth Development Center



Governor's Executive Budget

OVERVIEW
AND
SUMMARIES

OVERVIEW

Four years ago, Governor Ridge challenged both government and citizens to restore Pennsylvania's leadership role among states and nations. Simply stated, we would need to work together to become a leader among states, a competitor among nations, and to provide an enhanced quality of life for our families and communities. This challenge frames the Mission and Goals of the Ridge Administration.

GOVERNOR'S MISSION STATEMENT

To make Pennsylvania a leader among states and a competitor among nations, providing an enhanced quality of life for Pennsylvania's families and communities.

GOAL: STRENGTHENING FAMILIES AND COMMUNITIES

To **strengthen families and communities** by reestablishing individual accountability and responsibility, and empowering citizens to exercise greater control over their own lives for the well-being of themselves, their families and their communities.

GOAL: MAKING GOVERNMENT USER FRIENDLY AND CUSTOMER FOCUSED

To provide quality government which is **user-friendly and customer-focused**, responsive and accountable to the citizens it serves.

GOAL: CREATING ECONOMIC OPPORTUNITY

To create a "**job-friendly**" Pennsylvania that enables employers and communities to provide all citizens with unmatched **economic opportunities** and an unsurpassed quality of life in an increasingly competitive global market.

GOAL: LIFETIME LEARNING

To create a quality, results-oriented educational system of **lifetime learning** which provides all Pennsylvanians with the skills and abilities to succeed and excel in a rapidly changing world.

GOAL: PROTECTING OUR HOMES AND COMMUNITIES

To **protect our homes and communities** through a comprehensive and cooperative approach to battling crime that restores safety and security to our families and neighborhoods and a sense of community to our Commonwealth.

GOAL: BUILDING A NEW ENVIRONMENTAL PARTNERSHIP

To build a **new environmental partnership** to protect Pennsylvania's environment and the public health, using sound science and technology to secure compliance assistance, pollution prevention and the effective use of our natural and human resources.

GOAL: ESTABLISHING AND MAINTAINING A FIRST-RATE INFRASTRUCTURE

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 communities and to world markets.

To accomplish these goals, Governor Ridge, in his annual budget proposals, has pursued a conservative, disciplined strategy of fiscal management which includes: targeted tax cuts for individuals and business, controlled State spending and personnel complement levels, managed long-term debt, and increased Rainy Day reserve funds.

The annual budget proposal not only is the single most important policy and planning document of the Administration, but also is an effective vehicle to communicate the Governor's vision, mission and goals to the citizens of Pennsylvania. Governor Ridge repeatedly has said that government does not have any money of its own, that every dollar it spends and every resource it manages belongs to decent, honest and hard-working Pennsylvanians. This philosophy, that money belongs to the taxpayers, and that people, not government, know better how to spend their hard-earned money, is reflected in the Administration's tax reduction efforts which have resulted in substantial tax cuts for both businesses and/or individuals in each of the past four Budgets. Business and individual tax reductions, coupled with comprehensive reform of the workers' compensation system, competition initiatives like electricity deregulation, and reforms to the State regulatory process have allowed the Commonwealth to make significant progress toward creating economic opportunity, family sustaining jobs and a positive business climate.

This Administration recognizes that government cannot be all things to all people. What government can do for individuals is limited, but there is no limit to what individuals can do for themselves. Therefore, the appropriate role of government is to provide individuals the opportunity for, and remove the barriers to, individual achievement. Complementary to this is the concept of partnerships between government and businesses, service providers, individuals and communities. Given the opportunity, businesses, service providers, individuals and community organizations can serve admirably in finding their own solutions to problems and creating their own opportunities. Government, in turn, is most effective when called upon to respond by its citizens. In some cases, government can be the catalyst to finding solutions; in others, government must simply remove itself as an obstacle. This Administration will continue to look beyond its statutory duties and program responsibilities for ways to use the resources and energies of State Government to foster and mobilize non-governmental efforts to address and meet challenges and create opportunities.

Emerging and existing technologies provide greater opportunities for government to work more effectively and efficiently. This Administration's vision is to create an integrated and agile organization using information technology to deliver innovative and timely solutions, and seamless and responsive services. By utilizing innovative management techniques to improve customer service and increase efficiency in the workplace, this Administration has been able to control State spending and personnel complement levels while improving governmental service levels. This has allowed the Administration to focus on achieving its mission and goals while being responsible stewards of Commonwealth resources and taxpayers' money. Through strategic partnerships and investments, the Commonwealth can continue to maximize customer services, achieve cost savings and position itself to proactively embrace progress and change.

The Administration's efforts to keep long-term debt issuance within levels that are affordable in the future and its success in improving the Commonwealth's financial position has produced, in 1997, the first increase in the Commonwealth's bond rating in 11 years. Moody's Investors Service raised its bond rating for the Commonwealth to "Aa3" and Fitch IBCA raised its bond rating to "AA". In November 1998, the third major bond rating firm, Standard & Poor's, raised its bond rating for the Commonwealth to "AA", marking the first time in nearly 30 years that all major bond rating firms have placed the Commonwealth in the double-A category of ratings.

Through conservative and disciplined fiscal management, the Commonwealth has ended each of the past four years with a budget surplus. A total of 15 percent of the annual General Fund budget surplus is earmarked for deposit into the Rainy Day Fund, a reserve fund which can be accessed to stabilize the Commonwealth budget during severe economic downturns. Between



1994-95 and 1998-99, the balance in the Rainy Day Fund increased by \$621.5 million from \$66.3 million to \$687.9 million, and it is anticipated that an additional \$54.2 million will be transferred to the Rainy Day Fund from the 1998-99 June 30 closing balance.

Over the past four years, the Administration has made significant progress in achieving its mission and goals. Commonwealth budgets and programs have reflected the vision of this Administration and have provided real and productive change for State Government and its citizens. Key to the successes to-date and vital to future achievements is the Administration's desire to continually improve efforts to serve the needs of our customers, the citizens and taxpayers of Pennsylvania.

The reader is referred to the 1999-00 Program Policy Direction and Budget Themes portion of the Overview and Summaries Section for a discussion of the budget direction given agencies and for a summary of Program Revision Recommendations included in the 1999-00 Governor's Executive Budget. The reader is also referred to the 1999-00 Budget-in-Brief, a separate publication, for summary information on the 1999-00 Governor's Executive Budget, including recommended tax relief proposals for individuals and business and recommended program changes and funding amounts in pursuit of the Administration's mission and goals for the Commonwealth.

ECONOMIC OUTLOOK

The economic assumptions used to produce many of the tax revenue estimates in this budget were obtained from the WEFA Group, Eddystone, Pennsylvania, a private economic forecasting and consulting firm. The national forecast scenario described by the WEFA Group as a low growth scenario was selected by the Commonwealth as the most appropriate of the forecast scenarios prepared by the WEFA Group. Compared to the baseline scenario, the lower growth scenario uses more conservative assumptions about economic trends. Other scenarios available from the WEFA Group are described as high growth, moderate recession, and global recession. For the past several fiscal years the Commonwealth has relied on a low growth scenario to estimate revenues.

Recent Trends

Over the last two years the nation's economy has exhibited a resilience that has enabled economic growth to exceed most forecasts. Economic growth, as measured by real gross domestic product (GDP), was 3.9 percent in 1997, the largest gain in the decade. GDP growth in 1998 was only slightly below the 1997 rate making these two years the strongest consecutive two-year growth since the recovery from recession in the early 1980's. Economic indicators such as 20 year lows in unemployment rates, an inflation rate below two percent, falling interest rates, and an explosion of wealth created by a rising stock market give indication of the recent health of the national economy. This economic strength will continue into 1999 allowing the economy to keep expanding and growing.

Forecast Outlook

The balance of the 1998-99 fiscal year is expected to have more modest GDP growth rates than the first half of the fiscal year. Recent growth has been driven by higher consumer spending and by rising business investment for information technology. Current income cannot sustain these recent growth rates. Consequently, economic growth in early 1999 will be below 1998 growth. Beyond the current fiscal year, economic growth will be tempered by events outside the national economy and by emerging economic changes. While the impact of the economic difficulties experienced by the Asian countries in 1997 and 1998 have not caused serious economic problems for the U.S., currency valuation problems have now spread to Latin America. As economic turmoil spreads to other countries, further deterioration of the U.S. trade deficit may undermine the value of the dollar, put upward pressure on domestic interest rates, and slow

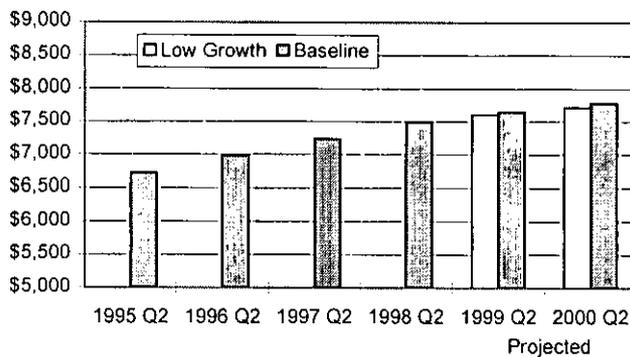
domestic growth. Domestically, the critical determinant for the economic outlook is consumer spending. The important influences on consumers' decisions to spend and save will be the increase in consumer income and the direction the stock market takes. Consumption expenditures by consumers recently have been in excess of income. Most of the spending above income came from the increased wealth produced by extraordinary gains in the stock market. Maintaining the recent level of consumer spending will require a continuation of the abnormal returns on stocks that has prevailed in recent years. The forecast does not anticipate the high returns will continue.

Low Growth Forecast

The WEFA Group's low growth forecast is characterized by assumptions that the widely anticipated decline from the recent high GDP growth rates will be greater than generally expected and move to rates that are below their baseline forecast. One important contributor to a reduced domestic growth rate comes from the assumption by the WEFA Group for growth in foreign countries to be a slow 1.5 percent annual rate. The low pace of economic activity by our trading partners especially depresses U.S. exports of capital equipment and computers. The loss of these exports and cutbacks of domestic investment in response to falling profits cause additional loss of

employment and income for U.S. workers. This situation sets in motion a series of actions and reactions that will result in smaller gains in consumption and economic output. The slower pace for national economic growth leads to lower inflation rates. Price pressures are anticipated to remain largely contained and a rising U.S. dollar will keep import price inflation in check. With inflation controlled, interest rates should decline slowly throughout the forecast period. For the first half of the 1999-00 fiscal year, inventory building by business in anticipation of possible Year-2000 computer problems will provide a boost

Chart 1
REAL GROSS DOMESTIC PRODUCT
Billions (1992 dollars)



to the economy. Much of that gain, however, will be borrowed from early 2000. Chart 1 shows the actual and forecast growth for GDP for one year periods ending with the second quarter.

The low growth scenario portrays the economy as one that has experienced eight years of continued growth. It portrays a mature economy that continues to produce gains in output, income and employment. Smaller increase in consumer spending growth brings that growth rate more in line with growth in disposable income. Business investment increases become smaller in response to pressures on profits and sliding capacity utilization. While not as exuberant as the economic growth over the past three years, the economy is expected to follow a course of continued economic growth and avoid a recession during the next two years. Table 1 contains projections for selected national economic indicators taken from the forecast used to project fiscal year 1999-2000 General Fund tax revenues.

Table 1
US Economic Indicators
Annual Growth

Indicator	1997	1998p	1999p	2000p
Nominal GDP	5.9	4.6	2.9	3.0
Real GDP	3.9	3.5	1.5	1.2
Real Personal Consumption	3.4	4.7	2.1	1.6
Corporate Profits (After Tax)	7.5	0	-0.2	-0.3
Unemployment Rate (Rate)	4.9	4.6	5.0	5.7
CPI	2.3	1.6	2.0	1.9
Federal Funds (Rate)	5.5	5.3	4.1	3.5

p=projected



Pennsylvania Outlook

Jobs in Pennsylvania are growing, led by increases in the service sector of the economy. Gains in the manufacturing sector come primarily from the high technology industries such as chemicals and plastics. Expansion of high-tech manufacturing industries in Pennsylvania are expected to contribute significantly to employment growth in the coming years. Recent commitments by firms to enter or expand within Pennsylvania will bring additional jobs. The return of shipbuilding to the Philadelphia shipyard is anticipated to bring thousands of new jobs. Although these high-tech industries and new employers will provide new employment opportunities in Pennsylvania, the short-term outlook for Pennsylvania's economy remains heavily dependent on trends in the national economy. Economic growth in Pennsylvania has a high correlation with that of the U.S. economy. It is estimated that 96 percent of Pennsylvania's employment growth is associated with U.S. employment changes. Recently, national manufacturing employment has been declining. Pennsylvania, due to its close correlation with national trends, has also experienced falling manufacturing employment. The traditional heavy industry sectors such as primary metals and machinery are responsible for much of the loss of manufacturing jobs. It is these industries that have been most affected by declining exports to the troubled economies of Asia and Latin America. Pennsylvania has a moderate exposure to the export markets of Asia, Mexico, Canada and Latin America. In total the State exports 5.2 percent of its total output to these countries, an exposure smaller than other Middle Atlantic States.

Despite the difficulties in its heavy industry, Pennsylvania has been able to maintain a jobless rate on par with that of the nation. Chart 2 displays actual and forecast unemployment rates for Pennsylvania and the U.S. unemployment rates through fiscal year 1999-00. Both are projections based on the low growth scenario by the WEF Group. While the near-term outlook for Pennsylvania and the U.S. is for continued, though slower, economic growth, this data shows that such slowing will return the unemployment rate only to a level close to that in 1997. The effect of the slowing economy forecast for the nation and the State is also shown in changes in personal income. Chart 3 plots actual and forecast personal income for Pennsylvania for the second quarter of each year shown.

Chart 2
PA AND US UNEMPLOYMENT RATE

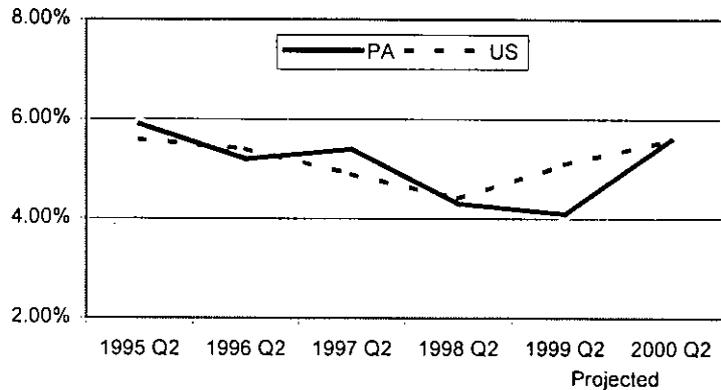
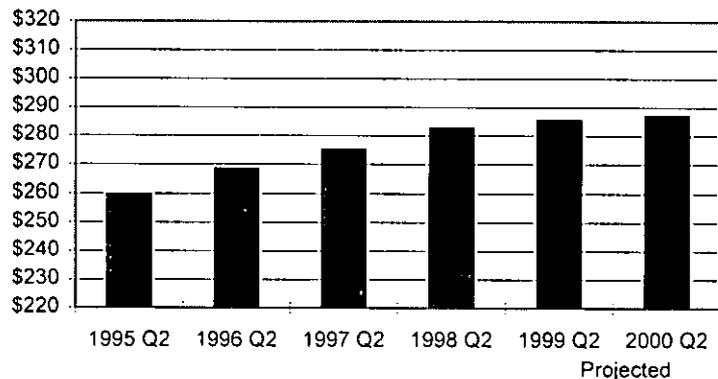


Chart 3
PA REAL PERSONAL INCOME
Billions (1992 dollars)



SUMMARY OF MAJOR OPERATING FUNDS

The majority of the Commonwealth's operating expenses is 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

Revenues

The General Fund is the Commonwealth's largest operating fund. It receives all tax revenues, non-tax revenues and Federal grants and entitlements not specified by law to be deposited elsewhere. The General Assembly makes appropriations of specific amounts from tax revenues and certain non-tax revenues of the General Fund. These amounts are contained in this budget as General Fund revenues.

Tax revenues in the General Fund constitute over 97 percent of annual General Fund revenues. Three taxes account for the majority of General Fund tax revenues. The corporate net income, the sales and use, and the personal income taxes together provide over 78 percent of annual General Fund revenues. For non-tax revenues, the largest single source is interest earnings. Another important source of non-tax revenue is statutory transfers of amounts from special funds of the Commonwealth. The largest of these is the transfer of excess profits from the State (Liquor) Stores Fund.

For the five fiscal years ending with fiscal year 1997-98, total General Fund revenues grew by 19.2 percent, an annual rate of 4.5 percent. The fastest growing major tax revenue sources during this period were the financial institutions taxes, the sales and use tax, the personal income tax and the inheritance tax. The rate of growth for revenues during the period understated the growth in the tax base due to the enactment of several tax rate and tax base changes that reduced receipts. Revenues from several tax sources declined over the period. Receipts from the public utility realty tax, the insurance premiums tax, the cigarette tax and the malt beverage tax fell. The decline of public utility realty tax receipts was a consequence of the beginning of competition in the electric generating industry. Non-tax revenue sources during this period increased by over 30 percent, significantly larger than the 19 percent increase in tax revenues. All non-tax revenue sources contributed to the large growth in non-tax receipts. Miscellaneous receipts led by interest earnings on General Fund investments, rose 48.1 percent during the period. Generally, larger available cash balances due to improved financial performance were responsible for the increase in interest earnings.

Receipts from the personal income tax in recent fiscal years have been helped by a growing Pennsylvania economy. Personal income tax collections over the past three completed fiscal years have averaged 7.1 percent annual growth and have exceeded each year's estimate. The unanticipated strength of receipts from the personal income tax continues in the current fiscal year. Current fiscal year estimates have been increased \$128.9 million, raising the anticipated growth rate for the fiscal year to 4.4 percent from a 2.4 percent growth projected at the time of the adoption of the budget. For fiscal year 1999-00 the personal income tax growth is anticipated to rise 2.9 percent. Estimates for the personal income tax are developed from a regression equation that uses forecasts of national wages, salaries, interest, dividends and rents.

The sales and use tax is levied on property and services used by consumers and by businesses. Recently, annual growth rates for this tax have varied significantly from a low of 1.9 percent in fiscal year 1997-98 to 7.9 percent in fiscal year 1994-95. A large category of taxable property is motor vehicles. The growth rate for the motor vehicle component of the tax varied over an even larger range that included a negative 0.6 percent rate in fiscal year 1995-96. Economic patterns for consumer purchases are a significant determinant of sales and use tax receipts. For fiscal year 1998-99 to-date, sales and use tax receipts from non-motor vehicle transaction have been above and account for almost all of collections above estimate year-to-date. Accordingly, the estimate for non-motor vehicle sales tax receipts has been raised from 2.5 percent growth to



6.7 percent and the growth rate for the motor vehicle portion has been cut to a negative 1.8 percent. Total sales and use tax receipts growth for fiscal year 1998-99 is estimated to be 5.5 percent. For fiscal year 1999-00, the expectation for smaller gains in consumption is estimated to produce a growth rate of 2.2 percent. Estimates for the sales and use tax are developed from a regression equation that use forecasts of national consumer expenditures on durable goods, national consumption on new and used motor vehicles and the Pennsylvania unemployment rate.

The largest single General Fund tax on business is the corporate net income tax. The robust gains in corporate profits during the middle portion of the 1990's allowed fiscal year 1998-99 receipts from the corporate net income tax to exceed receipts in fiscal year 1992-93 despite enacted reductions in the tax rate from 12.25 percent in 1993 to the current rate of 9.99 percent. 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 variations 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. Receipts for fiscal year 1998-99 are projected to increase by 1.0 percent over receipts in the prior fiscal year. Current fiscal year to-date receipts are below the most recent estimate which has been reduced by \$73.8 million below the official estimate. Receipts for fiscal year 1999-00 are estimated to decline by 3.7 percent. Expected softness in corporate profits is anticipated to reduce receipts from the tax. Estimates for the corporate net income tax are developed from a regression equation that uses forecasts of national before-tax corporate profits.

The Governor's proposed fiscal year 1999-00 budget includes tax reductions totaling \$273 million for the fiscal year, of which \$257.6 million will come from the General Fund. The components of the proposed tax changes are:

- **Reduce Capital Stock and Franchise Tax Rate** – The current total tax rate of 11.99 mills will be reduced to 10.99 mills. Reductions of 0.75 mills and 0.25 mills respectively will be made to portions of the tax deposited in the General Fund and the Hazardous Sites Cleanup Fund. The reductions will be effective for tax years beginning in 1999. The estimated fiscal year 1999-00 cost to the General Fund is \$85.1 million.
- **Repeal Gross Receipts Tax on Natural Gas** – The gross receipts tax on receipts of regulated gas companies from the sale of natural and artificial gas is proposed to be repealed effective January 1, 2000. The estimated fiscal year 1999-00 cost is \$81.8 million.
- **Reduce the Capital Stock and Franchise Tax Minimum** – The current \$300 required minimum tax payment will be lowered to \$200 effective for tax years beginning in 1999. The estimated fiscal year 1999-00 cost is \$16.2 million.
- **Increase the Annual Limit on Net Operating Loss Recovery** – The maximum amount corporate net income taxpayers annually may deduct as a net operating loss from taxable income will be raised to \$2 million from the current \$1 million limit. The increase will be effective for tax years beginning in 1999. The estimated fiscal year 1999-00 cost is \$35.5 million.
- **Sales Factor for Income Apportionment** – The sales factor used in the apportionment formula to calculate Pennsylvania taxable income for the corporate net income tax is proposed to be weighted 60 percent, an increase from the current 50 percent weighting. The other factors in the formula are corporation property value and payroll. The change is proposed to be effective for tax years beginning on and after January 1, 1999. The estimated fiscal year 1999-00 cost is \$31.5 million.
- **Expansion of Tax Forgiveness** – The eligibility income limit for each dependent to qualify for tax forgiveness under the special tax provisions is proposed to be increased from \$6,000 to \$6,500, effective January 1, 1999. A qualifying family of four with two claimants and two dependents will owe no tax on taxable income up to \$26,000. The estimated fiscal year 1999-00 cost is \$7.5 million.

Expenditures

The General Fund is the primary funding source for most State agencies and institutions. About three quarters of every dollar is returned to individuals, local governments, institutions, school districts, etc. in the form of grants and subsidies. The remainder pays operating expenses and debt service.

The total General Fund budget proposed for 1999-00 is \$18.6 billion, an increase of \$527 million or 2.9 percent. Major program expenditures occur in the area of State correctional institutions, economic development, education, and public health and welfare.

State Correctional Institutions: The fiscal year 1999-00 Budget recommends \$1.1 billion, a 4 percent increase for the State correctional institutions. This area has shown a constant upward trend in cost in recent years. From 1994-95 to 1999-00, total costs have grown from \$721 million to \$1.1 billion, an increase of 51 percent. This is due to the continuing rise in inmate population in the State correctional institutions which has grown from 28,302 inmates in 1994-95 to an estimated 36,709 inmates in 1999-00, an increase of 8,407 or 29 percent in five years.

Basic Education: The financial responsibility for public education in Pennsylvania is shared by the Commonwealth and 501 local school districts. Funds provided by the Commonwealth supplement the funds raised locally. State aid to local school districts is provided through various school subsidy payments for basic instruction, vocational education, debt service, pupil transportation, employe retirement programs including social security and various special education programs.

The largest such subsidy is the Basic Education Funding subsidy which provided nearly 59 percent of all Commonwealth aid to local schools in 1998-99. The Governor's 1999-00 Budget proposes almost \$3.7 billion for Basic Education Funding. This is an increase of \$107.1 million or 3 percent.

The proposed budget for 1999-00, detailed in the Department of Education presentation in Section E, includes nearly \$5.8 billion in direct support of public schools, an increase of 3.4 percent.

Higher Education: Higher education in Pennsylvania is provided through 236 degree granting institutions which include the fourteen universities of the State System of Higher Education (SSHE), four State-related universities, community colleges and various other independent institutions. In 1998-99, over \$1.6 billion is appropriated for higher education. The recommended budget for 1999-00 proposes over \$1.7 billion for higher education, an increase of \$68 million or 4.2 percent which also includes \$16.5 million for the new SciTech and GI Bill Scholarships Grant Programs.

Public Health and Welfare: The Commonwealth provides temporary support for its residents who are seeking to achieve and sustain independence. It also provides care, treatment and rehabilitation to persons with mental and physical disabilities and supports programs to prevent or reduce social, mental and physical disease and disabilities. For 1998-99, the total public health and human services expenditures from all sources was \$15.5 billion. For 1999-00, \$15.7 billion has been proposed for these programs, an increase of 1.5 percent. In 1999-00, the amount from the General Fund will be \$6.4 billion which is an increase of \$206 million or 3.3 percent.

The Medical Assistance Program is the largest component of the public health and welfare expenditures. It continues to grow but at a slower rate. This reduction is a result of the implementation of policies and initiatives during this Administration designed to restrain costs and limit eligibility. Expenditures increased during the period from fiscal year 1987-88 through fiscal year 1997-98 by an annual average rate of 13.7 percent. The rate of growth from 1994-95 to 1999-00 is only 5.6 percent. The 1998-99 General Fund amount available is \$2.95 billion and the 1999-00 Budget proposes appropriations totaling \$3.1 billion, an increase of 3.7 percent.



The increase for 1999-00 reflects normal inflationary increases for the fee-for-service programs and long-term nursing home care. The budget annualizes the expansion of mandatory Medical Assistance managed care in the ten-county Southwestern region which began in January, 1999.

Income maintenance, including cash assistance payments to families in transition to independence and self-sufficiency totaled \$1.7 billion from all sources for 1997-98. The 1999-00 Budget proposes a total budget of \$1.9 billion. However, the Commonwealth's General Fund appropriation is reduced from \$782 million to \$740 million. The 1999-00 Budget reflects the first milestone of welfare reform. Cash assistance is time limited and participation in work activities will be required to maintain eligibility after March 1999.

The 1999-00 budget continues the policy of supporting the maximum level of independence for people with mental retardation and mental health disabilities. In 1994, the State supported 10,416 institutional beds. By June 2000, that will be reduced to 5,626, a reduction of 46 percent. The community care budgets will have grown by \$326 million in total funds, an increase of 36 percent.

These revenue and expenditure decisions emphasize Governor Ridge's ongoing commitment to policies and programs that support public security, improved education, strengthening the family, more individual self-sufficiency and economic development.

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 Commonwealth's Constitution to be used only for costs of construction, reconstruction, maintenance and repair of and safety on highways and bridges in the Commonwealth and for the payment of debt service on obligations incurred for such purposes. The major sources of revenue to the Motor License Fund are from motor fuels taxes, vehicle registration fees, license taxes, operators' license fees and other 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 revenues.

Liquid fuels taxes provide approximately 55 percent of total Motor License Fund revenues in fiscal year 1999-00. Revenues from liquid fuels taxes have increased only slightly over the past three fiscal years. For the three year period ending with fiscal year 1997-98, liquid fuels tax revenues increased by 2.9 percent. The budget for fiscal 1999-00 projects a 1.2 percent increase.

Licenses and fee revenues represent the other major source of revenues for the Motor License Fund. Annual growth of receipts from these sources is small. For the three year period ending with fiscal year 1997-98, license and fee revenues increased by 38.9 percent. This large increase is due to increased registration fees for various vehicles effective in 1997 and 1998. For fiscal year 1999-00 a 0.6 percent increase is projected.

For the second year in a row, the budget for fiscal year 1999-00 recommends over a billion dollars for highway maintenance. More importantly, revenue enhancements are permitting a shift in highway maintenance from the least costly and least effective "oil and chip" patch repairs to more substantial and desirable resurfacing and reconstruction methods. At the same time, the additional revenues are allowing more miles of roads to be repaired and safety enhancements to be made in all of the Commonwealth's counties.

In addition to the above, improvements continue to be made in customer services at the Department of Transportation. The issuing of licenses and registrations has been decentralized, making it easier for the citizens of the Commonwealth to use these services. In addition, the time needed to issue licenses and registrations has been reduced.

Looking to the future, the Department is researching highway systems technology in such areas as intelligent transportation systems, advanced winter traffic equipment, improved

maintenance materials and methods, and high performance pavement markings. In addition, the Department will provide quality services that are user friendly and customer focused, and will remain responsive and accountable to the citizens of the Commonwealth.

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 property tax and rent assistance, community care programs, mass transit fare subsidies, and partial rebate of the costs of pharmaceuticals.

The Pennsylvania State Lottery has reached a state of maturity where significant growth in sales cannot be expected. Sales of lottery tickets have declined. For the first time in recent years, the annual cost of programs has exceeded annual revenues from ticket sales. Significant fund balances and reserves are expected to keep the fund in balance until that trend can be reversed. Participation in the on-line games has been decreasing. Only when there are unusually large jackpots of several million dollars in the on-line games do ticket sales spurt higher. This decrease is partially offset by the increased sales of popular Instant Game tickets, where games are changed often. To counter the trend of slipping revenues, aggressive marketing will be continued and game strategies will be adjusted with the goal of maintaining and eventually increasing the level of ticket sales.

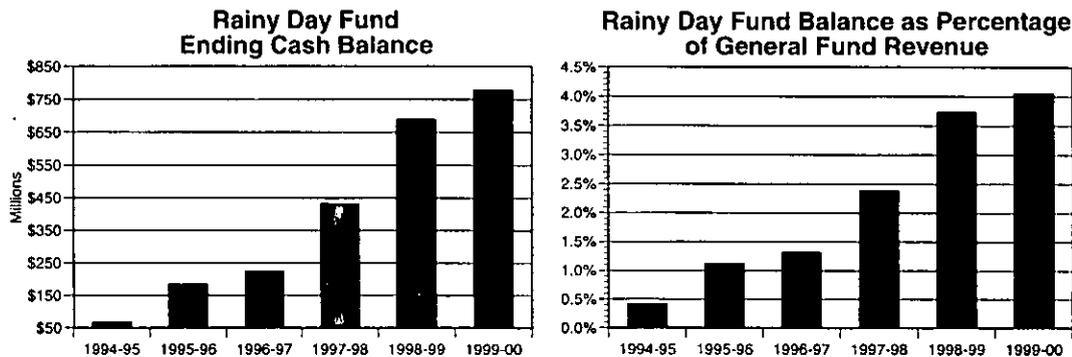
The total costs of programs funded through the Lottery Fund continue to increase, a total of 10.9 percent compared to fiscal year 1994-95. The largest program in the Lottery Fund is the Pharmaceutical Assistance Contract for the Elderly (PACE) Program. This program provides pharmaceutical benefits to qualified older Pennsylvanians who face a growing burden from the cost of drugs required to maintain healthy productive lives. For 1999-00, \$260 million is provided to afford pharmaceutical assistance to 241,300 older Pennsylvanians. This is a \$43 million (19.8 percent) increase compared to fiscal year 1994-95. The second largest program in the Lottery Fund is the PENNCARE appropriation that provides in-home and community-based services to older Pennsylvanians to enrich their lives and enable them to delay or avoid institutionalization. For 1999-00, \$186.7 million is provided for the PENNCARE Program. This is a \$28.7 million (18.1 percent) increase compared to fiscal year 1994-95. Combined, these programs account for approximately 69 percent of total Lottery Fund program expenditures. There are two primary factors in the rising costs of programs; the increasing number of eligible older Pennsylvanians, and the rapidly rising costs of pharmaceuticals. The eligible population cannot be controlled; however, there is a continual search for ways to control costs.

Rainy Day Fund

The Tax Stabilization Reserve Fund, commonly referred to as the Rainy Day Fund, was created in Act 32 of 1985 to promote greater continuity and predictability in the funding of vital government services. It also minimizes the need to increase taxes to balance the Commonwealth's budget during periods of economic distress. Revenue is provided through an annual transfer of 15 percent of the General Fund's fiscal year ending surplus and occasional nonrecurring transfers from the General Fund surplus and other funds as approved by the General Assembly. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly. Act 10 of 1996 increased the amount of the General Fund year end surplus to be transferred to the Rainy Day Fund from 10 percent to 15 percent. An additional \$150 million transfer, above the 15 percent, was appropriated from the 1997-98 General Fund surplus and transferred during 1998-99 to the Rainy Day Fund.



The Rainy Day Fund balance is expected to exceed \$785 million once the 1999-00 transfer is completed. The Rainy Day Fund balance will then represent four percent of General Fund revenues.



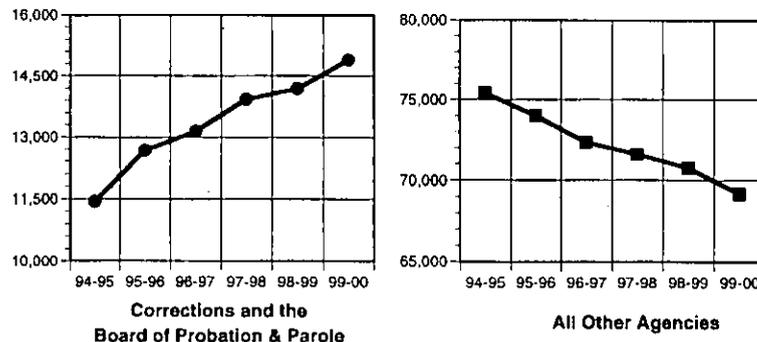
During this Administration, the balance in the Rainy Day Fund has increased twelve-fold and now exceeds the three percent of General Fund revenues goal established in the original legislation in 1985. The bond rating agencies have indicated to the Commonwealth that they would like to see a five percent reserve. It is the policy of this Administration to continue strengthening the Rainy Day 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 major objective of this Administration has been to maximize the use of current complement levels and, where possible, to reduce the number of positions through improved efficiency and the use of technology, such as computers.

Pennsylvania has been very successful in achieving this goal. The total authorized FTE salaried complement has been declining since the Administration took office from 86,854 in January 1995 to a proposed level of 84,044 by June 30, 2000, a decrease of 2,810 positions.

Authorized Salaried Complement



This budget proposes a net reduction of nearly 900 positions in the total salaried complement even after providing additional positions necessary for the Board of Probation & Parole and the State correctional institutions.

This overall decline in FTE salaried complement has been achieved during a period of significant growth in staff for the Board of Probation and Parole and the State correctional institutions. From January 1995 to June 2000 it is anticipated that the FTE salaried complement for the Board of Probation and Parole will grow from 666 to 957, an increase of 291, or 44 percent, while the State correctional institutions will grow from 10,768 to 13,931, an increase of 3,163 or 29 percent. This is the result, in part, of the Governor's priority to strengthen law enforcement activities and increase public safety.

This policy of this Administration to continue restraining the total Commonwealth authorized salaried complement level while insuring the continued safety of its citizens is reflected in the 1999-00 Budget and is detailed in Section I — Complement. The 1999-00 Budget estimates a total authorized complement by June 30, 2000 of 84,044 which is 896 or one percent below the current authorized level.





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.



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 1997-98 actual year, 1998-99 available year, 1999-00 budget year and future year estimates. Additional information on revenues and expenditures is detailed in subsequent tables and in Section C of this budget.

General Fund

(Dollar Amounts in Thousands)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Beginning Balance ^a	\$ 402,278	\$ 265,377	\$ 306,926	.....	.....	.....	.....
Revenues.....	\$ 18,123,168	\$ 18,723,640	\$ 19,237,900	\$ 20,029,300	\$ 20,767,900	\$ 21,296,000	\$ 22,017,700
Adjustments ^b	-806,953	-580,000	-897,600	-884,100	-891,800	-902,500	-918,000
Funds Available.....	\$ 17,718,493	\$ 18,409,017	\$ 18,647,226	\$ 19,145,200	\$ 19,876,100	\$ 20,393,500	\$ 21,099,700
Expenditures.....	-17,229,814	-18,047,928	-18,624,705	-19,137,360	-19,667,400	-20,092,684	-20,631,734
Closing Balance.....	\$ 488,679	\$ 361,089	\$ 22,521	\$ 7,840	\$ 208,700	\$ 300,816	\$ 467,966
Less Transfer to Tax Stabilization							
Reserve Fund.....	-223,302	-54,163	-3,378	-1,176	-31,305	-45,122	-70,195
Ending Balance ^a	<u>\$ 265,377</u>	<u>\$ 306,926</u>	<u>\$ 19,143</u>	<u>\$ 6,664</u>	<u>\$ 177,395</u>	<u>\$ 255,694</u>	<u>\$ 397,771</u>

^aEnding balance not carried forward after 1999-00.

^bIncludes net revenue accruals, refunds, lapses and adjustments to beginning balances.

Overview and Summaries

Seven Year Financial Statements By Fund

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Beginning Balance.....	\$ 114,073	\$ 108,477	\$ 65,609	\$ 7,662	\$ 3,686	\$ 7,862	\$ 8,544
Receipts.....	1,835,858	1,882,849	1,880,269	1,891,895	1,905,319	1,924,309	1,945,201
Funds Available.....	\$ 1,949,931	\$ 1,991,326	\$ 1,945,878	\$ 1,899,557	\$ 1,909,005	\$ 1,932,171	\$ 1,953,745
Less Expenditures.....	-1,841,454	-1,925,717	-1,938,216	-1,895,871	-1,901,143	-1,923,627	-1,947,210
Ending Balance.....	<u>\$ 108,477</u>	<u>\$ 65,609</u>	<u>\$ 7,662</u>	<u>\$ 3,686</u>	<u>\$ 7,862</u>	<u>\$ 8,544</u>	<u>\$ 6,535</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Beginning Balance.....	\$ 5,684	\$ 8,573	\$ 10,544	\$ 12,536	\$ 14,685	\$ 16,883	\$ 19,208
Receipts.....	11,972	11,739	12,251	12,552	12,809	13,148	13,540
Funds Available.....	\$ 17,656	\$ 20,312	\$ 22,795	\$ 25,088	\$ 27,494	\$ 30,031	\$ 32,748
Less Expenditures.....	-9,083	-9,768	-10,259	-10,403	-10,611	-10,823	-11,039
Ending Balance.....	<u>\$ 8,573</u>	<u>\$ 10,544</u>	<u>\$ 12,536</u>	<u>\$ 14,685</u>	<u>\$ 16,883</u>	<u>\$ 19,208</u>	<u>\$ 21,709</u>

Boat Fund

	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Beginning Balance.....	\$ 8,467	\$ 7,531	\$ 7,533	\$ 6,845	\$ 6,146	\$ 5,416	\$ 4,657
Receipts.....	9,562	10,423	9,537	9,691	9,828	9,970	10,108
Funds Available.....	\$ 18,029	\$ 17,954	\$ 17,070	\$ 16,536	\$ 15,974	\$ 15,386	\$ 14,765
Less Expenditures.....	-10,498	-10,421	-10,225	-10,390	-10,558	-10,729	-10,904
Ending Balance.....	<u>\$ 7,531</u>	<u>\$ 7,533</u>	<u>\$ 6,845</u>	<u>\$ 6,146</u>	<u>\$ 5,416</u>	<u>\$ 4,657</u>	<u>\$ 3,861</u>

^a Excludes restricted revenue.



Overview and Summaries

Seven Year Financial Statements By Fund

Farm Products Show Fund

(Dollar Amounts in Thousands)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Beginning Balance.....	\$ 958	\$ 764	\$ 2,266	\$ 1,608	\$ 1,064	\$ 639	\$ 334
Receipts.....	4,733	6,583	4,614	4,728	4,847	4,967	5,093
Funds Available.....	\$ 5,691	\$ 7,347	\$ 6,880	\$ 6,336	\$ 5,911	\$ 5,606	\$ 5,427
Less Expenditures.....	-4,927	-5,081	-5,272	-5,272	-5,272	-5,272	-5,272
Ending Balance.....	<u>\$ 764</u>	<u>\$ 2,266</u>	<u>\$ 1,608</u>	<u>\$ 1,064</u>	<u>\$ 639</u>	<u>\$ 334</u>	<u>\$ 155</u>

Fish Fund

(Dollar Amounts in Thousands)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Beginning Balance.....	\$ 12,384	\$ 13,651	\$ 14,894	\$ 13,918	\$ 12,861	\$ 11,587	\$ 10,077
Receipts.....	40,489	40,545	39,706	40,289	40,749	41,203	41,600
Funds Available.....	\$ 52,873	\$ 54,196	\$ 54,600	\$ 54,207	\$ 53,610	\$ 52,790	\$ 51,677
Less Expenditures.....	-39,222	-39,302	-40,682	-41,346	-42,023	-42,713	-43,417
Ending Balance.....	<u>\$ 13,651</u>	<u>\$ 14,894</u>	<u>\$ 13,918</u>	<u>\$ 12,861</u>	<u>\$ 11,587</u>	<u>\$ 10,077</u>	<u>\$ 8,260</u>

Game Fund

(Dollar Amounts in Thousands)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Beginning Balance.....	\$ 30,854	\$ 22,832	\$ 17,163	\$ 16,144	\$ 14,146	\$ 12,149	\$ 9,133
Receipts.....	48,210	51,089	58,188	58,188	58,188	58,188	58,188
Funds Available.....	\$ 79,064	\$ 73,921	\$ 75,351	\$ 74,332	\$ 72,334	\$ 70,337	\$ 67,321
Less Expenditures.....	-56,232	-56,758	-59,207	-60,186	-60,185	-61,204	-62,243
Ending Balance.....	<u>\$ 22,832</u>	<u>\$ 17,163</u>	<u>\$ 16,144</u>	<u>\$ 14,146</u>	<u>\$ 12,149</u>	<u>\$ 9,133</u>	<u>\$ 5,078</u>

Overview and Summaries

Seven Year Financial Statements By Fund

Keystone Recreation, Park and Conservation Fund

	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Beginning Balance.....	\$ 51,125	\$ 69,584	\$ 40,469	\$ 37,564	\$ 38,542	\$ 42,430	\$ 46,483
Receipts.....	74,253	67,813	45,418	46,549	51,044	55,729	59,809
Funds Available.....	\$ 125,378	\$ 137,397	\$ 85,887	\$ 84,113	\$ 89,586	\$ 98,159	\$ 106,292
Less Expenditures.....	-55,794	-96,928	-48,323	-45,571	-47,156	-51,676	-56,280
Ending Balance.....	<u>\$ 69,584</u>	<u>\$ 40,469</u>	<u>\$ 37,564</u>	<u>\$ 38,542</u>	<u>\$ 42,430</u>	<u>\$ 46,483</u>	<u>\$ 50,012</u>

Lottery Fund

	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Beginning Balance.....	\$ 56,957	\$ 82,602	\$ 66,480	\$ 27,448	\$ 15,872	\$ 9,437	\$ 9,217
Add Reserve From Prior Year...	140,000	190,000	190,000	190,000	160,000	100,000	28,000
Receipts.....	959,682	933,645	928,778	935,921	942,244	1,002,692	1,117,418
Funds Available.....	\$ 1,156,639	\$ 1,206,247	\$ 1,185,258	\$ 1,153,369	\$ 1,118,116	\$ 1,112,129	\$ 1,154,635
Less Expenditures.....	-884,037	-949,767	-967,810	-977,497	-1,008,679	-1,074,912	-1,139,428
Less Reserve for Current Year	-190,000	-190,000	-190,000	-160,000	-100,000	-28,000	-5,000
Ending Balance.....	<u>\$ 82,602</u>	<u>\$ 66,480</u>	<u>\$ 27,448</u>	<u>\$ 15,872</u>	<u>\$ 9,437</u>	<u>\$ 9,217</u>	<u>\$ 10,207</u>

Milk Marketing Fund

	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Beginning Balance.....	\$ 1,737	\$ 1,809	\$ 1,461	\$ 1,386	\$ 1,264	\$ 1,094	\$ 875
Receipts.....	\$ 2,379	\$ 2,312	2,295	2,295	2,295	2,295	2,295
Funds Available.....	\$ 4,116	\$ 4,121	\$ 3,756	\$ 3,681	\$ 3,559	\$ 3,389	\$ 3,170
Less Expenditures.....	-2,307	-2,660	-2,370	-2,417	-2,465	-2,514	-2,564
Ending Balance.....	<u>\$ 1,809</u>	<u>\$ 1,461</u>	<u>\$ 1,386</u>	<u>\$ 1,264</u>	<u>\$ 1,094</u>	<u>\$ 875</u>	<u>\$ 606</u>

Seven Year Financial Statements By Fund

Racing Fund

(Dollar Amounts in Thousands)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Beginning Balance.....	\$ 11,475	\$ 11,982	\$ 11,441	\$ 10,740	\$ 10,555	\$ 10,362	\$ 10,142
Receipts.....	<u>19,937</u>	<u>20,175</u>	<u>19,973</u>	<u>19,973</u>	<u>19,973</u>	<u>19,973</u>	<u>19,973</u>
Funds Available.....	\$ 31,412	\$ 32,157	\$ 31,414	\$ 30,713	\$ 30,528	\$ 30,335	\$ 30,115
Less Expenditures.....	<u>-19,430</u>	<u>-20,716</u>	<u>-20,674</u>	<u>-20,158</u>	<u>-20,166</u>	<u>-20,193</u>	<u>-20,181</u>
Ending Balance.....	<u>\$ 11,982</u>	<u>\$ 11,441</u>	<u>\$ 10,740</u>	<u>\$ 10,555</u>	<u>\$ 10,362</u>	<u>\$ 10,142</u>	<u>\$ 9,934</u>

Overview and Summaries

Seven Year Department Summary by Fund

The following is a summary by department of 1997-98 actual expenditures, the 1998-99 amounts available, the 1999-00 amounts budgeted and future year estimates as presented in the 1999-00 Governor's Executive Budget for the General Fund and selected Special Funds.

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Governor's Office							
General Fund.....	\$ 6,818	\$ 7,211	\$ 7,418	\$ 7,566	\$ 7,717	\$ 7,871	\$ 8,028
Executive Offices							
General Fund.....	\$ 123,456	\$ 164,771	\$ 177,833	\$ 170,949	\$ 166,667	\$ 168,468	\$ 170,732
Lottery Fund.....	128	133	140	143	146	149	152
Motor License Fund.....	4,024	4,093	4,272	4,357	4,444	4,533	4,624
Department Total	\$ 127,608	\$ 168,997	\$ 182,245	\$ 175,449	\$ 171,257	\$ 173,150	\$ 175,508
Lieutenant Governor							
General Fund.....	\$ 898	\$ 1,040	\$ 1,354	\$ 1,381	\$ 1,409	\$ 1,437	\$ 1,466
Attorney General							
General Fund.....	\$ 58,642	\$ 62,082	\$ 67,236	\$ 65,625	\$ 66,935	\$ 68,271	\$ 69,633
Auditor General							
General Fund.....	\$ 41,417	\$ 42,881	\$ 43,407	\$ 44,273	\$ 45,156	\$ 46,057	\$ 46,975
Treasury							
General Fund.....	\$ 648,643	\$ 606,006	\$ 672,834	\$ 732,456	\$ 792,612	\$ 818,872	\$ 823,707
Lottery Fund.....	11	100	100	100	100	100	100
Racing Fund.....	1	10	10	10	10	10	10
Motor License Fund.....	121,141	121,318	111,141	94,609	74,091	55,858	45,596
Game Fund.....	0	5	5	5	5	5	5
Fish Fund.....	0	5	5	5	5	5	5
Banking Department Fund.....	0	5	5	5	5	5	5
Milk Marketing Fund.....	0	10	10	10	10	10	10
Farm Products Show Fund.....	0	5	5	5	5	5	5
Boat Fund.....	0	5	5	5	5	5	5
Keystone Recreation, Park and Conservation Fund.....	9	0	0	0	0	0	0
Department Total	\$ 769,805	\$ 727,469	\$ 784,120	\$ 827,210	\$ 866,848	\$ 874,875	\$ 869,448
Aging							
General Fund.....	\$ 19,186	\$ 19,828	\$ 17,998	\$ 18,004	\$ 18,010	\$ 18,017	\$ 18,024
Lottery Fund.....	416,533	447,193	452,698	457,446	483,825	529,351	558,029
Department Total	\$ 435,719	\$ 467,021	\$ 470,696	\$ 475,450	\$ 501,835	\$ 547,368	\$ 576,053
Agriculture							
General Fund.....	\$ 54,519	\$ 61,774	\$ 59,969	\$ 60,418	\$ 60,994	\$ 61,586	\$ 62,189
Racing Fund.....	19,225	20,497	20,448	19,928	19,932	19,955	19,938
Farm Products Show Fund.....	4,127	4,276	4,467	4,467	4,467	4,467	4,467
Department Total	\$ 77,871	\$ 86,547	\$ 84,884	\$ 84,813	\$ 85,393	\$ 86,008	\$ 86,594
Banking							
Banking Department Fund.....	\$ 8,773	\$ 9,440	\$ 9,929	\$ 10,066	\$ 10,267	\$ 10,472	\$ 10,681
Civil Service Commission							
General Fund.....	\$ (10)	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Community and Economic Development							
General Fund.....	\$ 288,389	\$ 349,235	\$ 300,806	\$ 306,702	\$ 302,256	\$ 306,136	\$ 305,046



Overview and Summaries

Seven Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Conservation and Natural Resources							
General Fund.....	\$ 83,136	\$ 90,726	\$ 96,105	\$ 95,880	\$ 95,643	\$ 97,442	\$ 99,276
Motor License Fund.....	2	1,000	1,000	1,000	1,000	1,000	1,000
Keystone Recreation, Park and Conservation Fund.....	35,049	70,694	31,705	29,522	30,257	33,178	36,224
Department Total	\$ 118,187	\$ 162,420	\$ 128,810	\$ 126,402	\$ 126,900	\$ 131,620	\$ 136,500
Corrections							
General Fund.....	\$ 976,734	\$ 1,045,450	\$ 1,087,148	\$ 1,126,637	\$ 1,149,170	\$ 1,172,155	\$ 1,195,598
Education							
General Fund.....	\$ 7,213,512	\$ 7,472,364	\$ 7,625,270	\$ 7,630,826	\$ 7,669,498	\$ 7,697,343	\$ 7,713,219
Motor License Fund.....	1,272	1,556	1,591	1,623	1,655	1,688	1,722
Keystone Recreation, Park and Conservation Fund.....	11,029	14,225	10,277	10,145	10,848	11,862	12,811
Department Total	\$ 7,225,813	\$ 7,488,145	\$ 7,637,138	\$ 7,642,594	\$ 7,682,001	\$ 7,710,893	\$ 7,727,752
Emergency Management Agency							
General Fund.....	\$ 7,344	\$ 28,844	\$ 7,466	\$ 7,512	\$ 7,661	\$ 7,813	\$ 7,968
Environmental Protection							
General Fund.....	\$ 180,404	\$ 202,098	\$ 210,344	\$ 213,233	\$ 216,081	\$ 218,988	\$ 221,949
Motor License Fund.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Department Total	\$ 184,404	\$ 206,098	\$ 214,344	\$ 217,233	\$ 220,081	\$ 222,988	\$ 225,949
Fish and Boat Commission							
General Fund.....	\$ 9	\$ 808	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Fish Fund.....	22,621	22,436	24,522	25,012	25,512	26,022	26,542
Boat Fund.....	8,277	7,982	8,230	8,395	8,563	8,734	8,909
Keystone Recreation, Park and Conservation Fund.....	48	742	0	0	0	0	0
Department Total	\$ 30,955	\$ 31,968	\$ 32,762	\$ 33,417	\$ 34,085	\$ 34,766	\$ 35,461
Game Commission							
Game Fund.....	\$ 48,245	\$ 47,949	\$ 50,953	\$ 51,932	\$ 51,931	\$ 52,950	\$ 53,989
Keystone Recreation, Park and Conservation Fund.....	109	20	0	0	0	0	0
Department Total	\$ 48,354	\$ 47,969	\$ 50,953	\$ 51,932	\$ 51,931	\$ 52,950	\$ 53,989
General Services							
General Fund.....	\$ 101,936	\$ 97,461	\$ 100,002	\$ 99,997	\$ 100,238	\$ 102,413	\$ 104,231
Lottery Fund.....	204	196	217	222	227	232	237
Motor License Fund.....	27,257	20,264	20,252	20,257	20,262	20,267	20,273
Banking Department Fund.....	310	323	325	332	339	346	353
Department Total	\$ 129,707	\$ 118,244	\$ 120,796	\$ 120,808	\$ 121,066	\$ 123,258	\$ 125,094
Health							
General Fund.....	\$ 200,109	\$ 210,131	\$ 216,067	\$ 216,002	\$ 216,856	\$ 218,035	\$ 219,241
Higher Education Assistance Agency							
General Fund.....	\$ 297,916	\$ 314,666	\$ 346,955	\$ 363,489	\$ 380,023	\$ 380,023	\$ 380,023
Historical and Museum Commission							
General Fund.....	\$ 26,591	\$ 26,272	\$ 26,987	\$ 27,358	\$ 27,762	\$ 28,175	\$ 28,594
Keystone Recreation, Park and Conservation Fund.....	9,550	11,247	6,341	5,904	6,051	6,636	7,245
Department Total	\$ 36,141	\$ 37,519	\$ 33,328	\$ 33,262	\$ 33,813	\$ 34,811	\$ 35,839

Overview and Summaries

Seven Year Department Summary by Fund

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Housing Finance Agency							
General Fund.....	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Infrastructure Investment Authority							
General Fund.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance							
General Fund.....	\$ 16,475	\$ 31,997	\$ 53,717	\$ 53,854	\$ 54,231	\$ 54,616	\$ 55,008
Labor and Industry							
General Fund.....	\$ 76,885	\$ 79,933	\$ 78,328	\$ 77,066	\$ 77,819	\$ 78,586	\$ 79,369
Military and Veterans Affairs							
General Fund.....	\$ 74,474	\$ 82,169	\$ 81,847	\$ 83,568	\$ 85,100	\$ 86,664	\$ 88,259
Milk Marketing Board							
Milk Marketing Fund.....	\$ 2,307	\$ 2,650	\$ 2,360	\$ 2,407	\$ 2,455	\$ 2,504	\$ 2,554
Probation and Parole							
General Fund.....	\$ 73,633	\$ 79,271	\$ 85,752	\$ 87,259	\$ 88,627	\$ 90,025	\$ 91,450
Public Television Network							
General Fund.....	\$ 9,237	\$ 12,585	\$ 17,145	\$ 15,175	\$ 9,466	\$ 9,528	\$ 9,591
Public Welfare							
General Fund.....	\$ 5,553,131	\$ 5,853,529	\$ 6,055,670	\$ 6,428,264	\$ 6,808,934	\$ 7,196,302	\$ 7,661,841
Revenue							
General Fund.....	\$ 273,277	\$ 290,043	\$ 264,843	\$ 270,275	\$ 275,858	\$ 209,781	\$ 214,067
Lottery Fund.....	357,113	379,118	394,529	397,058	399,509	417,712	450,995
Racing Fund.....	204	209	216	220	224	228	233
Motor License Fund.....	15,179	15,553	18,309	17,655	18,006	18,362	18,723
Department Total	\$ 645,773	\$ 684,923	\$ 677,897	\$ 685,208	\$ 693,597	\$ 646,083	\$ 684,018
Securities Commission							
General Fund.....	\$ 2,135	\$ 2,074	\$ 2,140	\$ 2,183	\$ 2,227	\$ 2,272	\$ 2,317
State							
General Fund.....	\$ 3,913	\$ 5,643	\$ 4,631	\$ 5,149	\$ 5,231	\$ 5,336	\$ 5,443
State Employees' Retirement System							
General Fund.....	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
State Police							
General Fund.....	\$ 128,950	\$ 138,309	\$ 140,831	\$ 146,988	\$ 151,156	\$ 151,699	\$ 154,733
Motor License Fund.....	267,967	286,718	290,123	302,915	312,298	312,996	319,256
Department Total	\$ 396,917	\$ 425,027	\$ 430,954	\$ 449,903	\$ 463,454	\$ 464,695	\$ 473,989
Tax Equalization Board							
General Fund.....	\$ 1,187	\$ 1,277	\$ 1,294	\$ 1,320	\$ 1,346	\$ 1,373	\$ 1,400

Seven Year Department Summary by Fund

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Transportation							
General Fund.....	\$ 285,880	\$ 301,273	\$ 299,554	\$ 299,699	\$ 299,844	\$ 299,815	\$ 299,964
Lottery Fund.....	110,048	123,027	120,126	122,528	124,872	127,368	129,915
Motor License Fund.....	1,400,612	1,493,215	1,487,528	1,449,455	1,465,387	1,504,923	1,532,016
Department Total	\$ 1,796,540	\$ 1,917,515	\$ 1,907,208	\$ 1,871,682	\$ 1,890,103	\$ 1,932,106	\$ 1,961,895
Legislature							
General Fund.....	\$ 203,193	\$ 208,849	\$ 214,718	\$ 214,683	\$ 214,683	\$ 214,683	\$ 214,683
Judiciary							
General Fund.....	\$ 187,780	\$ 207,312	\$ 217,010	\$ 220,703	\$ 224,467	\$ 228,305	\$ 232,222
General Salary Increase							
General Fund.....	\$ 0	\$ 0	\$ 42,000	\$ 42,840	\$ 43,697	\$ 44,571	\$ 45,462
COMMONWEALTH TOTALS:							
General Fund	\$ 17,229,814	\$ 18,097,928	\$ 18,624,705	\$ 19,137,360	\$ 19,667,400	\$ 20,092,684	\$ 20,631,734
Lottery Fund	884,037	949,767	967,810	977,497	1,008,679	1,074,912	1,139,428
Racing Fund	19,430	20,716	20,674	20,158	20,166	20,193	20,181
Motor License Fund	1,841,454	1,947,717	1,938,216	1,895,871	1,901,143	1,923,627	1,947,210
Game Fund	48,245	47,954	50,958	51,937	51,936	52,955	53,994
Fish Fund	22,621	22,441	24,527	25,017	25,517	26,027	26,547
Banking Department Fund	9,083	9,768	10,259	10,403	10,611	10,823	11,039
Milk Marketing Fund	2,307	2,660	2,370	2,417	2,465	2,514	2,564
Farm Products Show Fund	4,127	4,281	4,472	4,472	4,472	4,472	4,472
Boat Fund	8,277	7,987	8,235	8,400	8,568	8,739	8,914
Keystone Recreation, Park and Conservation Fund	55,794	96,928	48,323	45,571	47,156	51,676	56,280
GRAND TOTAL	\$ 20,125,189	\$ 21,208,147	\$ 21,700,549	\$ 22,179,103	\$ 22,748,113	\$ 23,268,622	\$ 23,902,363

General and Special Funds

This table shows a summary by Commonwealth Programs of 1997-98 expenditures, the 1998-99 amounts available, the 1999-00 amounts budgeted and future year estimates as presented in the 1999-00 Governor's Executive Budget for the General Fund and selected Special Funds.

Seven Year Commonwealth Program Summary

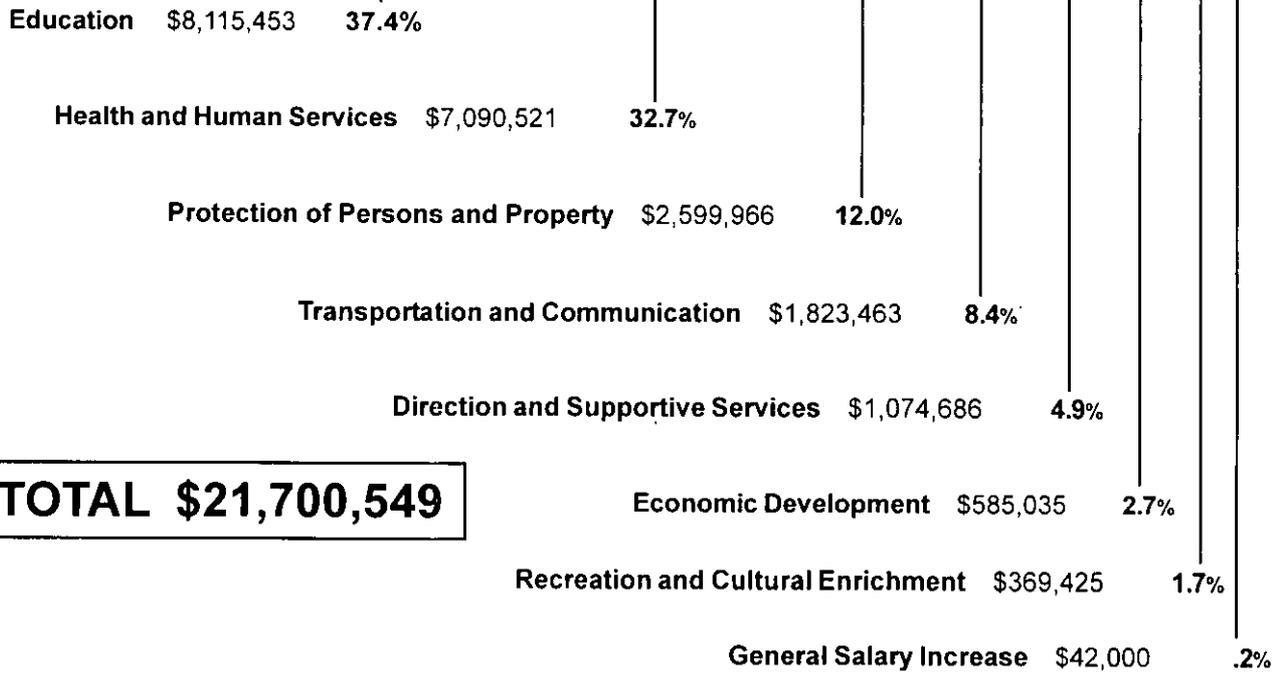
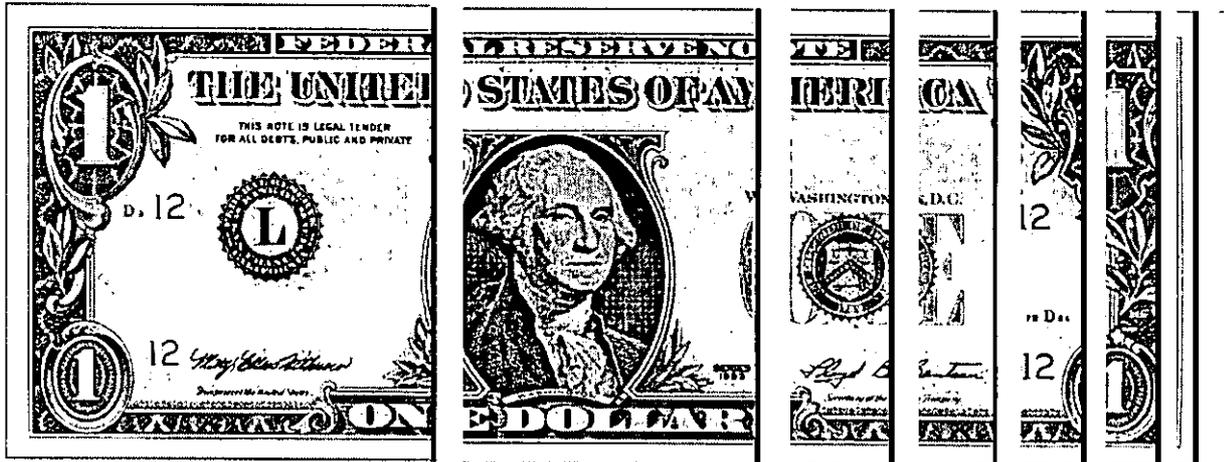
Commonwealth Program	(Dollar amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Direction and Supportive Services.....	\$ 962,279	\$ 1,030,375	\$ 1,074,686	\$ 1,080,769	\$ 1,089,135	\$ 1,118,421	\$ 1,161,178
Protection of Persons and Property.....	2,280,744	2,479,354	2,599,966	2,673,827	2,722,492	2,758,055	2,804,303
Education.....	7,688,997	7,939,881	8,115,453	8,132,840	8,198,812	8,192,406	8,209,576
Health and Human Services.....	6,513,162	6,885,428	7,090,521	7,470,976	7,883,990	8,322,165	8,819,812
Economic Development.....	593,748	641,744	585,035	620,828	645,187	629,987	625,027
Transportation and Communication.....	1,760,650	1,844,308	1,823,463	1,775,584	1,788,320	1,820,128	1,847,540
Recreation and Cultural Enrichment.....	325,609	387,057	369,425	381,439	376,480	382,889	389,465
General Salary Increase.....	0	0	42,000	42,840	43,697	44,571	45,462
GENERAL FUND AND SPECIAL							
FUNDS TOTAL.....	\$ 20,125,189	\$ 21,208,147	\$ 21,700,549	\$ 22,179,103	\$ 22,748,113	\$ 23,268,622	\$ 23,902,363



Distribution of the Commonwealth Dollar

**GENERAL FUND AND
SPECIAL FUNDS**

1999-00 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 1997-98 expenditures, the 1998-99 amounts available, the 1999-00 amounts budgeted and future year estimates as presented in the 1999-00 Governor's Executive Budget for the General Fund.

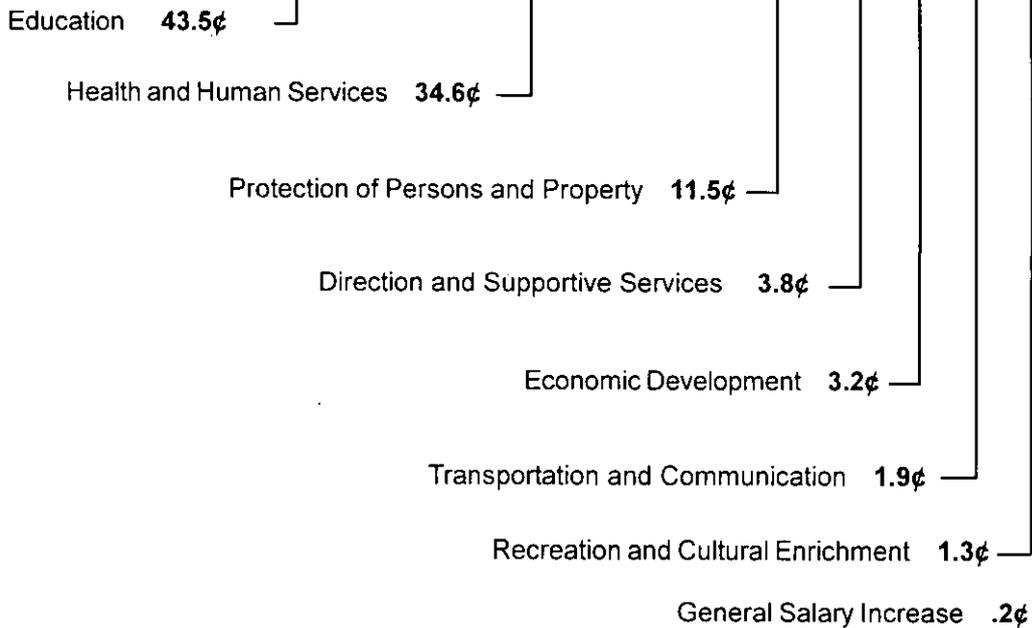
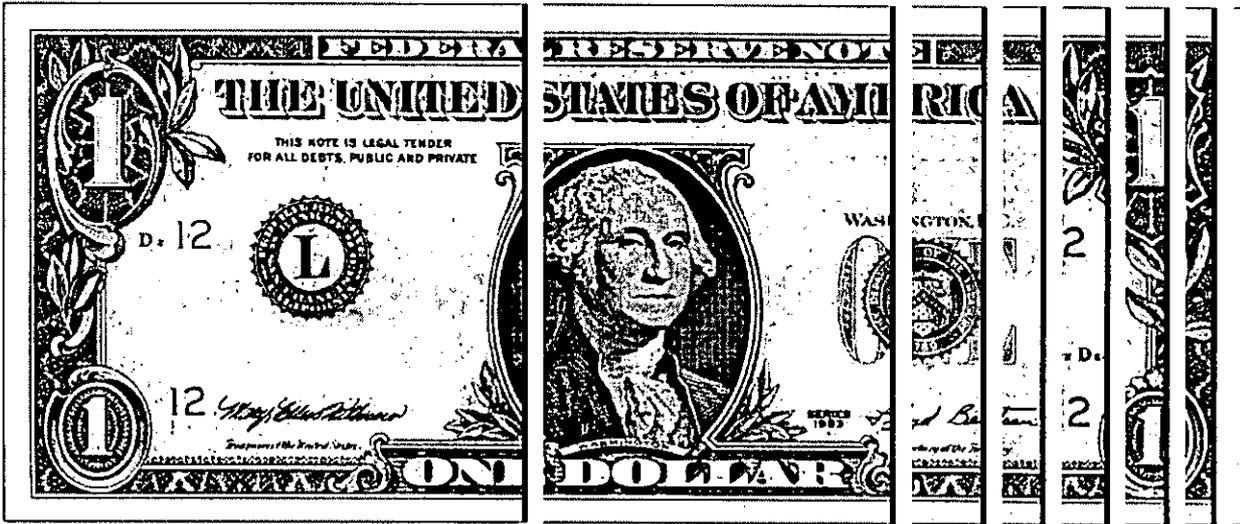
Seven Year Commonwealth Program Summary

	(Dollar amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Commonwealth Program							
Direction and Supportive Services.....	\$ 634,833	\$ 684,097	\$ 704,593	\$ 707,692	\$ 712,145	\$ 721,759	\$ 729,755
Protection of Persons and Property.....	1,874,381	2,045,452	2,148,328	2,207,116	2,253,291	2,292,801	2,331,424
Education.....	7,679,199	7,927,696	8,105,536	8,122,889	8,188,171	8,180,898	8,197,272
Health and Human Services.....	5,903,124	6,231,908	6,437,697	6,812,002	7,197,293	7,588,446	8,055,868
Economic Development.....	593,748	641,744	585,035	620,828	645,187	629,987	625,027
Transportation and Communication.....	345,324	345,640	356,793	366,136	376,312	381,895	393,599
Recreation and Cultural Enrichment.....	199,205	221,391	244,723	257,857	251,304	252,327	253,327
General Salary Increase.....	0	0	42,000	42,840	43,697	44,571	45,462
GENERAL FUND TOTAL.....	<u>\$17,229,814</u>	<u>\$18,097,928</u>	<u>\$18,624,705</u>	<u>\$19,137,360</u>	<u>\$19,667,400</u>	<u>\$20,092,684</u>	<u>\$20,631,734</u>

Distribution of the Commonwealth Dollar

GENERAL FUND

1999-00 Fiscal Year



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



General Fund

The following is a summary by Commonwealth Program of the 1998-99 amounts available and the 1999-00 amounts budgeted and the percent each program represents of the General Fund total as presented in the 1999-00 Governor's Executive Budget.

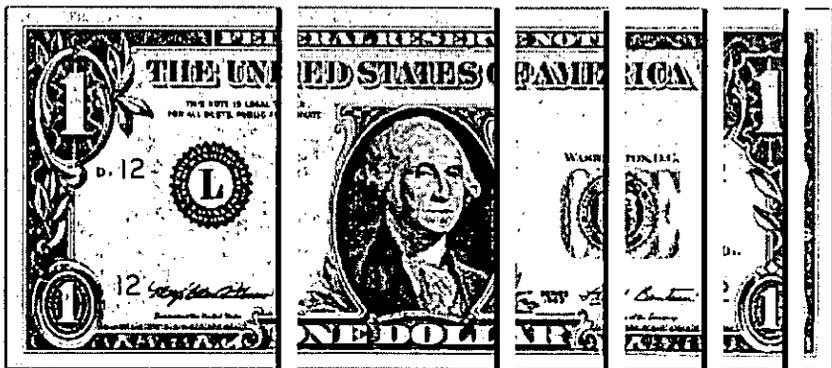
Program Summary

(Dollar Amounts in Thousands)

Commonwealth Program	1998-99		1999-00	
	Dollar Amount	Percent	Dollar Amount	Percent
Direction and Supportive Services.....	\$ 684,097	3.8%	\$ 704,593	3.8%
Protection of Persons and Property.....	2,045,452	11.3%	2,148,328	11.5%
Education.....	7,927,696	43.8%	8,105,536	43.5%
Health and Human Services.....	6,231,908	34.4%	6,437,697	34.6%
Economic Development.....	641,744	3.6%	585,035	3.2%
Transportation and Communication.....	345,640	1.9%	356,793	1.9%
Recreation and Cultural Enrichment.....	221,391	1.2%	244,723	1.3%
General Salary Increase.....	0	0.0%	42,000	0.2%
GENERAL FUND TOTAL.....	\$ 18,097,928	100.0%	\$ 18,624,705	100.0%

GENERAL FUND

1999-00 Fiscal Year



Sales	\$6,632,000	34.5%
Personal Income	\$6,701,800	34.8%
Other Business	\$2,411,700	12.5%
Corporate Net Income	\$1,656,500	8.6%
Other Revenues	\$1,006,900	5.3%
Inheritance	\$829,000	4.3%

Income

(Dollar Amounts in Thousands)

TOTAL INCOME	\$ 19,237,900
Refunds	-640,000
Less Tax Reduction	-257,600
Beginning Balance	306,926
TOTAL	\$ 18,647,226

Outgo

(Dollar Amounts in Thousands)

TOTAL OUTGO	\$ 18,624,705
Tax Stabilization	
Reserve Fund	3,378
Ending Surplus	19,143
TOTAL	\$ 18,647,226

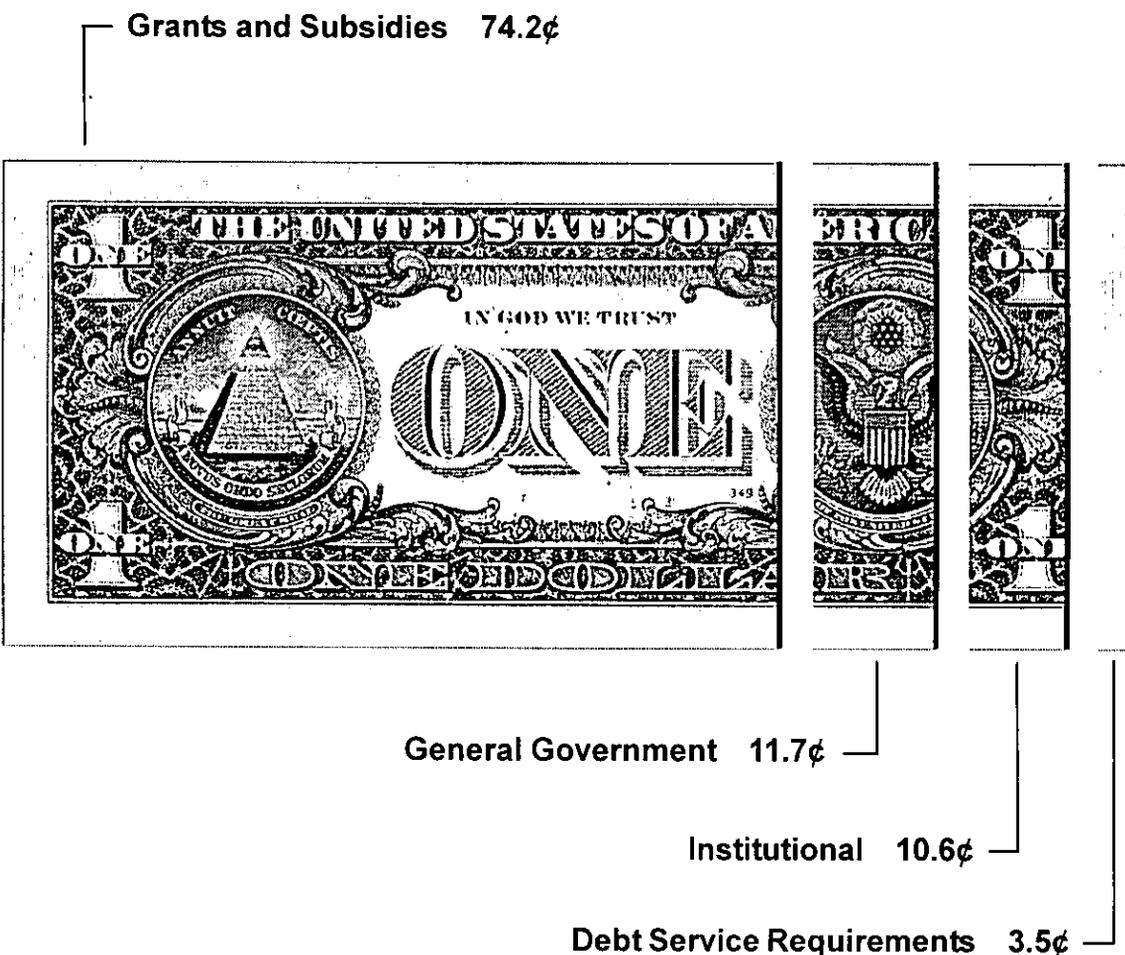


Education	\$8,105,536	43.5%
Health and Human Services	\$6,437,697	34.6%
Protection	\$2,148,328	11.5%
Direction	\$704,593	3.8%
Other Programs	\$643,516	3.4%
Economic Development	\$585,035	3.2%

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

1999-00 Fiscal Year



Almost three quarters of each General Fund dollar is returned to individuals, local governments, institutions, school districts, etc. in the form of grants and subsidies.





1999-00

PROGRAM POLICY DIRECTION

AND

BUDGET THEMES

The Governor's 1999-00 Program Policy Guidelines, issued in August 1998, defined major policy issues, stated priorities and provided direction to Commonwealth agencies for the preparation of 1999-00 agency budget requests. The 1999-00 Program Policy Direction section immediately following this page presents the program and financial goals and policies that guided the development of the 1999-00 Governor's Recommended Budget.

This section summarizes the Governor's recommended Program Revisions for the 1999-00 fiscal year within the following five budget theme presentations: Creating Economic Opportunity, Preparing for Our Future, Enhancing Services and Promoting Self-Sufficiency, Ensuring Public Health and Safety and Information Technology for Pennsylvania. Theme topics may vary year to year based on the funding priorities established by the Governor. Each budget theme begins with an introduction which briefly summarizes all Program Revision budget recommendations contained in that theme. The remainder of the theme then presents information on each individual Program Revision, including the agencies or departments responsible for implementing the Program Revision, the funding sources and appropriations supporting Program Revision implementation, and a brief summary description of each Program Revision component. Detailed Program Revision presentations, including a full discussion of the Program Revision and its associated program measures, funding recommendations and costs by appropriation can be found in Section E. Department Presentations in the agency responsible for leading the Program Revision implementation.

1999-00 Program Policy Direction

This section presents the program and financial goals and policies that guided the development of the 1999-00 Governor's Recommended Budget. The Governor's 1999-00 Program Policy Guidelines, issued in August 1998, defined major policy issues, stated priorities and provided direction to Commonwealth agencies for the preparation of 1999-00 agency budget requests. Budget planning was predicated on a modest overall increase in agency spending. Agencies were directed to continue to evaluate current programs and recommend changes that would improve program management and operations, reduce costs, and maximize direct services.

The Governor stated that the 1999-00 Budget would take the Commonwealth to the 21st Century, setting the foundation and direction for Pennsylvania in a new era. Agencies were to propose budgets and plan for operations to ensure State Government and its citizens were prepared to meet any challenges and take advantage of all opportunities solidifying Pennsylvania's position as a leader among States and a competitor among nations.

The 1999-00 Program Policy Guidelines also noted that the Administration recognized that potential budgetary risks were present in the Commonwealth's favorable fiscal position in July 1998. The Governor stated that despite Pennsylvania's recent strong economic performance, our economic outlook was guarded, because most economic forecasters believe the level of recent national economic performance was unsustainable. The economic factors that had combined to produce a strong and dynamic State and national economy through July 1998 could reverse and with little warning. Therefore, the extraordinary tax revenue gains of 1997-98 would not be included in budget planning for 1999-00. Instead, agencies were directed to budget conservatively so that the Commonwealth as a whole could maintain improved fund reserve balances to guard against future tax increases, and avoid long-term commitments to permanent spending increases that could be unsustainable.

The Governor also stated that he would not propose tax increases in the 1999-00 Budget, and directed agencies to plan on a very modest overall budget increase. Agencies were to develop operating budgets based on the amounts necessary to carry forward current programs at minimum cost, and to seek additional ways to improve efficiency and accomplish program changes through redirecting and targeting program operations. Agencies were to carefully review all programs and modify or eliminate those programs that were no longer effective or otherwise needed. Proposals for new or expanded programs were to be offset by keeping cost increases of other programs below the rate of inflation, or by reducing funding in other programs.

Program direction to agencies focused on maintaining continued progress toward meeting the Administration's mission and goals through efficient and effective program operations. Just as previous budgets had clearly reflected the Administration's mission and goals, so to must the 1999-00 Budget. All agencies were expected to submit budget requests consistent with the mission, goals and priorities presented in the Program Policy Guidelines. Agency budget requests were to focus on solidifying the Administration's successes and ensuring that new initiatives undertaken over the past four years were operating at maximum efficiency, were responsive to the Commonwealth's customers (citizens and business) and were achieving or exceeding the projected results. Agencies were directed to build upon their successes to continuously add value to the functions and activities that are core to a government's responsibilities to its citizens.

The Program Policy Guidelines also emphasized the importance of monitoring and assuring program performance consistent with the Administration's mission and goals, and directed agencies to focus on the long-term fiscal management of their programs and operations. Agencies that requested Program Revisions as part of their budget requests were directed to do sufficient planning to show the results that would be achieved with the implementation of the Program Revision. As in 1998-99, agencies were directed to submit a plan demonstrating how each Program Revision would be implemented, how funding would be used and the expected return on the public's investment. The implementation plan was to include a description and rationale for the Program Revision, as well as milestones, tasks, and responsibilities for tasks, and how program outcomes would be measured and evaluated.

The following pages presents Program Revision recommendations consistent with the direction of the Governor's 1999-00 Program Policy Guidelines.



Creating Economic Opportunity

Dramatic changes and improvements to Pennsylvania's economic development strategies have been undertaken since 1995 with the goal of positioning the Commonwealth and its businesses and entrepreneurs to excel in the new digital economy of the 21st Century. Traditional mainline infrastructure and economic development programs have been streamlined and enhanced to address those sectors of Pennsylvania's economy that are forging new economic prosperity and bold new innovations are proposed to lead Pennsylvania into the 21st Century digital economy.

To assist our businesses and entrepreneurs remain competitive and excel, the burdensome level of taxation continues to be reduced for Pennsylvania citizens and employers, which will generate a cumulative savings of approximately \$3.9 billion by the end of fiscal year 1999-00. A system-wide overhaul of Worker's Compensation will result in savings of nearly \$1.6 billion for employers and nearly \$1 billion for employees since 1995. Further, Pennsylvanians will save more than \$1 billion in reduced unemployment compensation taxes. Regulatory reforms have also saved Pennsylvanians an estimated \$1.1 billion since 1997. These systematic and comprehensive improvements have combined to save Pennsylvania's employers and citizens nearly \$9.2 billion since January, 1995.

This budget continues dramatic tax reductions that serve as perhaps the best economic development tool available. Tax reduction initiatives recommended in this budget reduce the Capital Stock and Franchise Tax from 11.99 mills to 10.99 mills and reduce the mandatory minimum Capital Stock and Franchise Tax from \$300 to \$200. This budget also recommends assisting those businesses with a base of operations in Pennsylvania by increasing the sales factor weighting from 50 percent to 60 percent which will be used to calculate a lower Corporate Net Income Tax liability. Also recommended are tax changes to double the Net Operating Loss deduction from \$1 million to \$2 million, eliminate the Gross Receipts Tax on the sale of natural gas and increase the Personal Income Tax dependent exemption from \$6,000 to \$6,500 in order to continue to assist working families.

As Pennsylvania prepares to enter the 21st Century, the economy is undergoing fundamental changes that are affecting nearly every business sector. These changes are based on technological advances and require unique approaches to ensure that Pennsylvania is positioned to compete and excel in the new digital economy. In response, this budget proposes several bold new innovations in economic development strategies. This budget recommends the creation of the Pennsylvania Technology Investment Authority (PTIA) to provide new financing tools to grow, attract and retain technology companies and to refocus business development activities to the demands of the digital economy. The PTIA's mission will be threefold: first, to provide high-tech financing to small and medium-sized firms; second, to stimulate the adoption and expansion of electronic commerce, both in the public as well as the private sector; and finally, to coordinate and expand university-based research and development in high-tech fields.

Changing demands of the digital economy will require new initiatives to educate and retain knowledge-based workers. These initiatives include the SciTech Scholars Program and the GI Bill for the New Economy which will enable Commonwealth technology firms to benefit from the large number of high-quality, high-tech students graduating from Pennsylvania colleges and universities. Through this budget, scholarships will be awarded to Pennsylvania residents enrolled at a Pennsylvania public or private college or university who are majoring in certain science and technology-based fields of study.

Aggressively marketing Pennsylvania as an attractive site for business location and expansion has been a Commonwealth goal. This budget seeks to bolster the successful marketing of Pennsylvania businesses, its economic outlook and tourism destinations. This will be accomplished by providing additional funding to bolster the Commonwealth's fully integrated, multi-media marketing campaign which seeks to cooperatively market in partnership with the private sector to leverage the Commonwealth's resources to reach broader markets. Expanded marketing efforts will bolster the Commonwealth's television and radio advertising presence. Efforts also will be undertaken to expand Pennsylvania's international advertising and direct marketing. This budget also proposes to establish a pool of funding for traditional business development and financing programs to be distributed annually on a demand driven basis.

Overview and Summaries

Recommended Program Revision:

This Budget recommends the following Program Revisions which are explained in more detail in the agency presentation.

Program Revision / Department / Appropriation	1999-00	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
POSITIONING TO COMPETE IN THE 21ST CENTURY DIGITAL ECONOMY		
Community and Economic Development:		
General Government Operations.....	\$ (100)	
Pennsylvania Economic Development Financing Authority.....		\$ 58
General Government Operations.....	2,448	
International Trade.....	1,455	
Interactive Marketing.....	4,000	
Marketing to Attract Tourists.....	500	
Marketing to Attract Business.....	(1,000)	
Regional Marketing Partnerships.....	4,000	
Transfer to Ben Franklin/IRC Fund.....	(2,000)	
Transfer to PA Industrial Development Authority.....	(20,000)	
Transfer to Small Business First Fund.....	8,000	
Transfer to Machinery and Equipment Loan Fund.....	(1,500)	
CyberStart.....	1,600	
Local Development Districts.....	350	
Tourist Promotion Assistance.....	500	
Super Computer Center.....	(2,000)	
Infrastructure Technical Assistance.....	(3,000)	
PEDFA- PA Technology Investment Authority.....	18,200	
Ben Franklin/IRC.....		(2,000)
Higher Education Assistance Agency:		
GI Bill Scholarships.....	2,034	
Scitech Scholarships.....	14,500	
SciTech and GI Bill Scholarships - Administration.....	661	
Total.....	\$ 28,648	\$ (1,942)

This Program Revision positions Pennsylvania to compete and lead in the 21st Century digital economy by further reducing taxes and by proposing bold technology-related initiatives. Tax reductions are provided to continue the economic growth and prosperity in Pennsylvania. Funding is provided to establish the Pennsylvania Technology Investment Authority to provide innovative financing tools for high technology businesses, to expand the use of electronic commerce and to coordinate university research to increase technology commercialization. Funding is also provided to create scholarships for Pennsylvania science and technology students. The development of innovative Internet-based early educational technologies is supported and funding is provided for free Internet access at nearly 4,000 licensed day care facilities. Funding is also provided to expand international trade activities and to implement interactive marketing strategies. In addition, funding is provided for regional marketing initiatives and for local tourist promotion agencies. This Program Revision also provides funding to create a demand driven pool of available financing for traditional economic development activities.



Preparing for Our Future

Pennsylvania's future depends upon the educational opportunities offered to its citizens. The foundation of an educational system is being created to prepare our students to face the world of today and tomorrow. Resources are being targeted to advance the Commonwealth's priorities, such as increasing funding for basic education and special education, developing assessment tests which measure how well our children are learning and developing academic standards which help our children and their parents know what is required to be successful in higher education, the workplace and for participation in society. An incentive award program has been established which recognizes schools that make significant strides in improving the education and effort of their students. Efforts are continuing to incorporate technology into our schools to reach beyond the classroom by building the Pennsylvania Education Network and creating a true Commonwealth of Learning.

This budget recommends an increase of \$107.1 million for basic education funding. This budget also recommends \$16.8 million for a third year of incentive awards for schools that demonstrate significant improvement in achievement and effort. To insure the effectiveness of the incentive program, this budget recommends increased funding to expand and refine academic assessment tools. Recognizing the important role of teachers in the integration of the new tests and new academic standards into the classroom, this budget also recommends additional funding to expand the teacher professional development program. In addition, this budget recommends \$63.6 million in first year funding to establish a five-year pilot Educational Opportunity Program designed to provide parents with greater educational options for their children. This budget also recommends \$35 million for a new innovative Read to Succeed Program, an intensive reading program designed to develop strong reading skills in students in grades K-3.

This budget recommends an increase of \$33.9 million in special education funding for school districts and intermediate units. This budget also recommends increased funding for programs designed to prevent and reduce school violence and to educate students who display disruptive behavior. In addition, this budget provides incentive funding to encourage school districts to continue administrative and instructional consolidation initiatives to increase efficiency, both within and across school district boundaries.

Public libraries with their comprehensive collection of information and resources are essential to the prosperity of our communities and are increasingly becoming a focal point for information resources due to the significant impact technology is having on society. However, the cost of providing quality library services is expensive and libraries are struggling to keep up with these costs. This budget recommends \$17 million to restructure public library funding by reducing the strain on the operating budgets of local libraries and by creating a stronger incentive for local governments to invest in their public libraries. In addition, this budget recommends maintaining Pennsylvania's share of program costs for the visually impaired and disabled program and upgrading the current circulation systems to ensure they will be Year 2000 compliant.

Overview and Summaries

Recommended Program Revision:

This Budget recommends the following Program Revisions which are explained in more detail in the agency presentation.

Program Revision / Department / Appropriation	1999-00	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
IMPROVING OUR SCHOOLS		
Education:		
General Government Operations.....	\$ 166	
PA Assessment.....	1,150	
Basic Education Funding.....	107,106	
Performance Incentives.....	16,769	
Educational Opportunity Program.....	63,600	
Teacher Professional Development.....	2,840	
Read to Succeed.....	35,000	
Special Education.....	33,881	
Safe Schools.....	1,000	
Alternative Schools.....	500	
Administrative/Instructional Consolidation.....	500	
Total.....	\$ 262,512	\$ 0

This Program Revision increases support for basic education, expands the performance incentive program, refines and expands the academic assessment system, and expands teacher professional development opportunities. This Program Revision also increases special education funding, expands programs to assist school districts to be more proactive in preventing and reducing school violence and in educating students that exhibit disruptive or violent behavior, and continues to support efforts of local education agencies to become more efficient. In addition, this Program Revision recommends funding for two new, innovative programs: the Educational Opportunity Program designed to provide parents with greater educational options for their children; and the Read to Succeed Program, an intensive reading intervention program for students in grades K-3.

INVESTING IN PENNSYLVANIA'S PUBLIC LIBRARIES

Education:		
Improvement of Library Services.....	\$ 17,000	
Library Services for the Visually Impaired and Disabled.....	366	
Total.....	\$ 17,366	\$ 0

This Program Revision provides funding to reduce the strain on local libraries' operating budgets and to create a stronger incentive for local governments to invest in their public libraries. In addition, this Program Revision provides funding to maintain Pennsylvania's share of program costs for the visually impaired and disabled program and to upgrade circulation systems and ensure they are Year 2000 compliant.

Enhancing Services and Promoting Self-Sufficiency

The Commonwealth has made significant investments over the last several years to promote individual and family independence and self-sufficiency. Incentives to stay on welfare were removed and self-sufficiency was encouraged by requiring work and work-related activities in order to remain eligible for benefits. In addition, service enhancements have been implemented to afford persons with disabilities the opportunity to be as productive as possible and to fully participate in society. This budget recommends initiatives which build upon these successes by increasing services which enable families to become or remain self-sufficient, implementing fatherhood programs designed to promote strong families through personal and parental responsibility, and expanding home and community-based services for persons with disabilities which promote independence and self-respect.

Since the enactment of dramatic changes in Pennsylvania's welfare system in May 1996, the Commonwealth has taken important steps toward strengthening families and communities, and providing individuals the opportunity to find dignity by permanently moving from welfare into self-sufficiency. Since the implementation of welfare reform, 63,200 families have left the cash assistance caseloads. This budget recommends funding to further increase the availability of child care, transportation, and employment and training services for individuals and families transitioning from welfare to work and for low-income working families.

To motivate and challenge fathers to become involved in the lives of their children, this budget recommends funding to provide an array of fatherhood services including parenting and life-skills training, job search and pre-employment skills development, and supervised visitations. These services are designed to improve relationships between children and their fathers who are better prepared to become positive role models and to increase child support collections from fathers who are better prepared to obtain or retain employment.

As a result of medical and technological advancements and the development of more sophisticated service delivery systems, many individuals with disabilities are now able to remain in their homes and communities with the appropriate supports. This budget recommends funding to expand home and community-based opportunities for persons with disabilities, including services for persons with mental retardation, traumatic brain injury, or autism, for persons who are ventilator dependent, and for older Pennsylvanians. This budget also recommends approximately \$2.8 million in new and existing Other Funds to provide persons with disabilities information and financial assistance for home modifications and home ownership.

Recommended Program Revision: _____

This Budget recommends the following Program Revisions which are explained in more detail in the agency presentation.

	1999-00	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
Program Revision / Department / Appropriation		
PROMOTING SELF-SUFFICIENCY AND RESPONSIBILITY		
Public Welfare:		
New Directions.....	\$ 2,463	
TANFBG - New Directions.....		\$ 25,448
TANFBG - Cash Grants.....		15,613
CCDFBG - Cash Grants.....		28,501
Fatherhood Initiatives.....		300
CCDFBG - Child Care.....		4,326
Transportation:		
TANFBG - Access to Jobs.....		3,033
TEA 21 - Access to Jobs.....		1,333
Total.....	\$ 2,463	\$ 78,554



Overview and Summaries

1999-00	
General Fund	Federal and Other Funds

(Dollar Amounts in Thousands)

Program Revision / Department / Appropriation

PROMOTING SELF-SUFFICIENCY AND RESPONSIBILITY

This Program Revision provides approximately \$2.5 million in State funds and \$78.5 million in Federal funds to enable families to become or remain self-sufficient and for fathers to become responsible for their children. The components of this Program Revision include: increasing the availability and accessibility of subsidized child care services for welfare recipients and low-income working families; enhancing transportation services to assist welfare recipients and low-income working families access employment; expanding the employment and training continuum to include short-term paid work experience and job readiness training for welfare recipients with the most significant barriers to employment; and, implementing fatherhood initiatives designed to promote strong families through personal and parental responsibility.

EXPANDING HOME AND COMMUNITY-BASED OPPORTUNITIES FOR PERSONS WITH DISABILITIES

Aging:

Medical Assistance Support.....	\$	375
Intergovernmental Transfer - Administration.....		375

Community and Economic Development:

Intergovernmental Transfer.....		2,000
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Health:

Catastrophic Medical and Rehabilitation.....		(449)
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Public Welfare:

General Government Operations.....	\$	61	
Medical Assistance - Administration.....			61
County Administration - Statewide.....		18	
Medical Assistance - Statewide.....			22
Medical Assistance - Outpatient.....			283
Intergovernmental Transfer.....			242
Medical Assistance - Long-Term Care.....			575
Intergovernmental Transfer.....			494
Community Mental Retardation Services.....	7,325		
Medical Assistance - Community MR Services.....			18,638
Medical Assistance - Developmentally Disabled.....			2,184
Intergovernmental Transfer.....			1,424
Head Injury Support.....			449
Total.....	\$	7,404	\$ 26,673

This Program Revision provides approximately \$7.4 million in State funds and \$26.7 million in Federal and Other funds to provide new and enhanced services for individuals with disabilities that promote independence and self-respect, and maximize opportunities for family and community involvement. The components of this Program Revision include: providing home and community-based services for 671 additional persons with mental retardation and enhanced day and support services for 1,826 persons currently receiving mental retardation services; expanding the availability of home and community-based services for 114 persons with disabilities, including traumatic brain injury and autism; enabling ten individuals who are ventilator dependent to continue receiving home and community-based services after age 21; providing persons with disabilities information and financial assistance for home modifications and home ownership; and, transferring the Bureau of Blindness and Visual Services from the Department of Public Welfare to the Department of Labor and Industry to improve services for persons who are blind or visually impaired. This Program Revision is also supported with existing Federal and Other funds, including \$449,000 from the Department of Health's Catastrophic and Medical Rehabilitation funds, \$500,000 from the Department of Community and Economic Development's Federal Housing Investment Partnership funds, and \$250,000 from the Pennsylvania Housing Finance Agency's reserves.



Ensuring Public Health and Safety

Protecting the health and safety of citizens, establishing clear and effective regulations and enforcing the laws are basic functions of State Government. This budget continues Commonwealth efforts to protect public health and safety through implementing strategies to protect our natural resources and to prevent and reduce crime.

This budget recommends resources to implement strategies designed to further protect our environment through sound land use planning and remediation of existing environmental concerns. Additional funding is provided to encourage local governments to undertake coordinated and strategic land use planning initiatives. Local governments will also be provided with better, more flexible tools to voluntarily implement land use initiatives that can further protect our natural resources. Preventing the introduction of pollution is the most efficient and effective method of ensuring a healthy environment. This budget provides funding to expand pollution prevention and energy efficiency strategies. Expanding the utilization of environmental technologies will further protect the environment as well as lead to economic opportunities. This budget provides funding to accelerate the verification, commercialization and utilization of new and emerging environmental technologies. As Pennsylvania begins the 21st century with a new direction for environmental policies, a significant amount of unfinished remediation and reclamation projects remain. This budget provides a dramatic expansion in the level of funding to correct past environmental problems such as acid mine drainage, watershed protection, repair and replacement of aging water and sewer infrastructure, public lands stewardship and community conservation.

A comprehensive, cooperative and continuing approach to battle crime is essential to ensuring the safety of Pennsylvania citizens and neighborhoods. In an effort to meet this challenge, this budget recommends funding for increased prison capacity and enhancements to probation and parole services, both for juvenile and adult offenders. Realizing that the battle against crime must be waged across the full continuum of public safety strategies, this budget provides funding for expanded drug and alcohol treatment options at the State and local level. Rehabilitation of offenders in order to reduce recidivism is also expanded with additional funding for basic and vocational education programs.

Recommended Program Revision: _____

This Budget recommends the following Program Revisions which are explained in more detail in the agency presentation.

Program Revision / Department / Appropriation	1999-00	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
PROTECTING PUBLIC SAFETY THROUGH ENFORCEMENT, PREVENTION AND REHABILITATION		
Executive Offices:		
Commission on Crime and Delinquency.....	\$ 250	
Communities That Care.....	2,000	
Specialized Probation Services.....	5,000	
Victims of Juvenile Crime.....	3,800	
Intermediate Punishment Drug and Alcohol Treatment.....	1,000	
Corrections:		
State Correctional Institutions.....	7,181	
General Government Operations.....	376	
Medical Care.....	331	
Inmate Training and Education.....	3,041	
Probation and Parole:		
General Government Operations.....	1,051	
RSAT - Administration and Staffing.....		\$ 404
Total.....	\$ 24,030	\$ 404

Overview and Summaries

1999-00	
General Fund	Federal and Other Funds

(Dollar Amounts in Thousands)

Program Revision / Department / Appropriation

PROTECTING PUBLIC SAFETY THROUGH ENFORCEMENT, PREVENTION AND REHABILITATION

This Program Revision provides funding to protect the rights of victims of juvenile crimes and to expand specialized juvenile probation services. The prevention of crime is also supported with additional funding to implement community-based strategies. Funding is provided to expand the availability of drug and alcohol treatment services for technical parole violators and to expand the automation of public safety information systems. Additional funding is provided to increase prison capacity and to expand basic and vocational education programming as a means of reducing recidivism.

VISION FOR A 21ST CENTURY ENVIRONMENT

Aging:

PENNCARE..... \$ 150

Community and Economic Development:

General Government Operations-World Class Communities..... \$ 67

Shared Municipal Services..... (900)

Planning Assistance..... (375)

World Class Community..... 2,000

Environmental Protection:

General Government Operations..... 819

Environmental Program Management..... 1,112

Survey Studies..... 125

Technical Assistance to Small Systems..... 2,697

Office of Pollution Prevention and Compliance Assistance..... 964

State Energy Program..... 300

Environmental Stewardship Fund..... 55,000

Small Business Pollution Prevention(EA)..... 2,000

Transfer to Environmental Stewardship Fund - HSCF Fund..... 15,000

Transfer to Environmental Stewardship Fund - Recycling Fund..... 15,000

Total..... \$ 58,687 \$ 35,272

This Program Revision provides funding to encourage local communities to undertake and implement sound land use planning practices to protect the environment. Funding is also provided to expand pollution prevention and energy efficiency strategies and to further protect drinking water sources and certify the safety of drinking water systems. The commercialization and utilization of new and emerging environmental technologies is supported with additional funding. Funding is also provided to dramatically expand the remediation of past environmental concerns.



Information Technology for Pennsylvania

Emerging and existing technologies provide greater opportunities for government to work more effectively and efficiently. Innovative and aggressive information technology policies will improve services, reduce costs and allow government to be more responsive to the needs of Pennsylvanians. This budget recommends an enterprise-wide approach to information technology that allows agencies to interact with entities outside State Government, form effective alliances with businesses and communities, and provide citizens and customers with easier access to government services.

Consistent with this enterprise-wide approach, this budget recommends funding for the continued development and implementation of the Justice Network. Complementary programs to the Justice Network are the State Police Incident Information Management System (IIMS) and the Commonwealth Law Enforcement Assistance Network. This budget recommends funding for the first year of the IIMS project to create an agency-wide system that will promote information technology communications, data sharing, scheduling, and document tracking capabilities. In addition, this budget recommends funding for technology support to the Commonwealth Law Enforcement Assistance Network. This budget also recommends funding for enterprise-wide technology projects that positively impact the business functions of State Government. Funding is provided to consolidate Commonwealth data center computer operations and support services, as well as to implement local area networks, develop Intranet applications and enhance communications networks. This budget recommends funding for the Statewide Radio System which begins operation in the Southeast region of the State in April, 2000. In addition, this budget recommends funding for geographic information systems in five agencies to develop geographic information databases and methods of sharing geospatial information, and design common management approaches.

Over the past three years, the Commonwealth has provided more than \$132 million to expand and enhance the use of technology in Pennsylvania's schools and communities. This budget builds upon these investments and recommends to extend for one additional year funding for local education consortia to create community-wide networks, and funding to enable nonpublic schools to participate in the educational benefits afforded by information technology. In addition, this budget recommends funding for competitive grants to higher education to develop innovative approaches to community-based networking and information sciences and technology curriculum. This budget also recommends funding for new or enhanced information technology systems in a number of Commonwealth agencies to improve customer service and increase efficiency in the workplace.

Recommended Program Revision:

This Budget recommends the following Program Revisions which are explained in more detail in the agency presentation.

Program Revision / Department / Appropriation	1999-00	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
ENHANCING INFORMATION TECHNOLOGY TO BETTER SERVE PENNSYLVANIA		
Executive Offices:		
Technology and Year 2000 Investment.....	\$ 23,410	
Integrated Criminal Justice System.....	9,288	
Office of the Budget.....	775	
Human Relations Commission.....	500	
Attorney General:		
Computer Enhancements.....	1,190	
Statewide Radio System.....	1,355	
Agriculture:		
General Government Operations.....	51	
Civil Service Commission:		
Fees From Agencies.....	\$	436

Overview and Summaries

Program Revision / Department / Appropriation	1999-00	
	General Fund	Federal and Other Funds
(Dollar Amounts in Thousands)		
ENHANCING INFORMATION TECHNOLOGY TO BETTER SERVE PENNSYLVANIA		
Special Merit System Services.....		28
Conservation and Natural Resources:		
General Government Operations.....	3,953	
Education:		
General Government Operations.....	400	
Technology Initiative.....	20,000	
Technology for Nonpublic Schools.....	4,000	
Higher Education Technology Grants.....	10,000	
Emergency Management Agency:		
General Government Operations.....	80	
Environmental Protection:		
General Government Operations.....	450	
Environmental Program Management.....	50	
Environmental Protection Operations.....	450	
Health:		
General Government Operations.....	2,177	
Historical and Museum Commission:		
General Government Operations.....	250	
Insurance:		
General Government Operations.....	241	
State:		
General Government Operations.....	398	
Professional Licensure Augmentation Account.....		1,172
State Board of Medicine.....		111
State Board of Osteopathic Medicine.....		14
State Board of Podiatry.....		3
State Police:		
CLEAN System.....	2,670	
General Government Operations.....	150	
CLEAN System - MLF.....		5,675
Transportation:		
General Government Operations.....		301
Safety Administration and Licensing.....		1,875
Total.....	\$ 81,838	\$ 9,615

This Program Revision continues the development of the Justice Network to enable the sharing of information among criminal justice agencies, establishes an Incident Information Management System for enhanced law enforcement communications and data sharing, provides technical support to the Commonwealth Law Enforcement Assistance Network and improves the Uniform Crime Reporting System. This Program Revision also provides for enterprise-wide information technology projects and agency communications equipment for the Statewide Radio System. In addition, this Program Revision extends for one year funding for local education agencies to implement community-wide networks, for computer technology available to nonpublic schools, and for technology grants for the development of community-based networking and information sciences and technology program curriculums. This Program Revision also provides for information technology enhancements in Commonwealth agencies, including enhanced systems for campaign finance disclosure and professional licensing information disclosure, for drivers licensing and vehicle registration functions, and for transportation technology systems. Other information technology enhancements in Commonwealth agencies include the development of a client-server based teacher certification system, computer-based testing for Civil Service applicants, an interactive voice response system, modernized electronic archiving, an electronic travel reimbursement system, case management systems, and Internet crime investigation equipment.



The Improve Management Performance and Cost Control Task Force Commission (IMPACCT) was created by the Governor and the Legislature in 1995 to study management of government operations and to propose changes in State government operations which reduce costs, increase accountability and improve services.

The Lieutenant Governor leads the Privatize, Retain, Innovate, Modify and Eliminate (PRIME) process, the implementation stage of IMPACCT.

PRIME is creating a more customer-centered, cost efficient, and competitive State Government through employee-driven change. In each agency Innovation Teams or I-Teams have been carrying out the recommendations included in that agency's PRIME Action Plan. PRIME has effected fundamental changes in the way State Government does business.

To date 300 PRIME recommendations have been implemented with total savings of nearly \$300 million. These accomplishments range from implementing innovations within the PACE Program in the Department of Aging, to fostering a new program in the Department of Conservation and Natural Resources that enables volunteers to contribute time to enhancing our state parks. In 1999-00 the efforts of PRIME will continue so that core public services are delivered in the most customer focused and cost-effective way possible.

The Innovation Bank Program was initiated in March 1998. The bank, unique to Pennsylvania, provides job related incentive rewards based on individual or team accomplishments for innovative projects that have lead to customer focused and more effective State Government. Currently, two projects have earned Innovation Awards for a total of \$323,115.

Examples of PRIME recommendations that were or will be completed in 1998-99 are shown below: These examples are highlighted in the respective agency presentations and identified by a PRIME logo.

1. Next Generation Farmer Loan Program. The Department of Agriculture implemented a program to assist first time farmers to purchase land, farm equipment and buildings, and livestock. This innovative program utilizes various financial programs to reduce the interest rates for various purchases. The program helps to ensure that Pennsylvania's rich agricultural traditions can be handed to the next generation.
2. Streamlining pump and tank inspections. Previously the inspection of certain underground storage tanks and pumping equipment was the sole responsibility of the State Police fire marshals. Creative thinking led to the transferring of this duty to the Department of Labor and Industry whose inspectors were already on the same sites conducting other inspections. This has led to savings of over \$150,000 and the freeing up of approximately 18,000 personnel hours allowing the State Police additional resources to conduct arson investigations.
3. Streamlining the regulation of inspection stations. Previously the State Police conducted regulatory duties associated with inspection stations, vehicle registration tag agents and messengers. These duties have now been transferred to the Department of Transportation. By streamlining this system, the State Police replaced the inspection station program with a Vehicle Fraud Investigation program staffed by 67 troopers. These troopers who formerly



spent most of their time enforcing non-criminal regulations, now focus their attention on criminal activities.

4. Implemented changes to accessing campaign finance information. The Department of State successfully installed a new innovative system to allow access to campaign finance information. Today anyone with access to the Internet either at a library, home, or school can obtain campaign finance reports 24 hours a day, 7 days a week.
5. Enhancing Access to state parks. The Department of Conservation and Natural Resources instituted a new customer-focused, visitor friendly telephone reservation system for Pennsylvania's 116 state parks. Customer service representatives staff the new toll-free number, 1-888-PA-PARKS, and have access to information about available sites at each park. A customer can now make a reservation for a cabin or campsite anywhere in Pennsylvania's State Parks with one call. Previously visitors would be forced to call each park individually costing them time and money.
6. Streamlined the procurement process. With the establishment of Act 57 of 1998, the Department of General Services has revised policies and procedures to streamline the procurement process, thereby eliminating unnecessary red tape. This has resulted in the ability of Commonwealth agencies to procure goods and services faster and at lower prices and with greater quality.
7. Implemented a new Telefile system. The Department of Revenue now enables Pennsylvanians to file their taxes via the telephone saving them time and money.
8. Implemented a pilot system for Unemployment Compensation by phone. The Department of Labor and Industry plans to continue improvements.



Examples of PRIME recommendations that will be completed in 1999-00 are shown below. These examples are highlighted in the respective agency presentations and identified by a PRIME logo.

1. Using telemedicine to reduce the need for offsite medical consultations in the Department of Corrections. This innovative use of technology will greatly improve security and reduce costs. It is estimated that the savings from this initiative will be over \$500,000 annually.
2. Streamlining the Department of Labor and Industry's process of providing unemployment compensation benefits. The Department of Labor and Industry plans to implement changes to the system that will allow among other items, UC checks to be transmitted electronically to a claimants personal account.
3. Continuing to expand the On-Line Messenger Service operated by the Pennsylvania Department of Transportation to make major services more accessible to the Public.
4. Developing a system within the Insurance Department to electronically collect and process fees from producer licensees.
5. Continuing the program of refurbishing older patrol vehicles. It is estimated that an additional \$500,000 will be saved by the State Police in 1999-00.
6. Developing an electronic system that would allow customers to apply for various certificates available through the Department of Health.
7. The Department of Public Welfare will implement a cross agency project to streamline and consolidate licensing regulations, develop a management information system that will allow targeted licensing inspections and begin a training program for state licensing staff.



Green Government

Responsible environmental management is not only the right thing to do it also contributes significantly to the efficient use of resources through the elimination of waste in materials, energy and production time. Recognizing that these management principles and practices are applicable to government operations, the Governor established the Governor's Green Government Council (GGGC) in March 1998, with the intention of having Commonwealth government set an example in moving toward the goal of a sustainable Pennsylvania.

The Green Council is responsible, cooperatively across agency jurisdictions, for facilitating the incorporation of environmentally sound practices into the Commonwealth's planning, operations, and policy making. Council members provide leadership and a forum for resolution of cross agency issues.

Within each agency, a Green Team Leader oversees the development and implementation of an annual agency Green Plan. A compendium of these individual agency plans constitutes the Commonwealth's Green Plan, submitted to the Governor by September 1st each year.

The council's initial focus is on Commonwealth operations, particularly energy efficiency, including building design and management, procurement of environmentally friendly commodities and services, clean vehicle purchases and management, and recycling.

Forty-two agencies contributed 154 projects to the first Green Plan for 1998-99. Specific examples of accomplishments in the first six months of the GGGC's first Green Plan include:

- The Commonwealth constructed its first green building, the Department of Environmental Protection's South Central Regional Office Building. Constructed on a brownfield site and designed to use 50 percent less energy than a conventional building, this building provides a work environment with excellent indoor air quality and it can be quickly and inexpensively reconfigured to meet new work functions.
 - The Department of General Services (DGS) is developing guidelines, based on the green technology used in the South Central Regional Office Building and the Keystone Building, that promote energy-efficient, environmentally-friendly designs in all Commonwealth-owned or agency-leased buildings.
 - DGS is also overseeing development of a simple system for enabling all Commonwealth agencies to take advantage of the provisions of the Guaranteed Energy Savings Act. Existing buildings can be upgraded without capital financing, paying instead with the cost savings from reduced energy usage.
 - Another DGS-led group is working to incorporate elements of green power into the Commonwealth's future purchase of electricity.
 - The Department of Transportation is integrating consideration of environmental factors throughout its functions by pursuing adoption of a formal environmental management system.
 - The Department of Education rescinded its financial incentive for schools to expand on greenfield sites rather than on already developed sites.
- In its second year the council proposes to:
- Establish environmental performance measures to assess the Commonwealth's progress.
 - Focus agencies' activities on waste reduction and elimination.
 - Increase agencies' understanding of the importance of sustainability and how to incorporate the concept into their individual missions.
 - Support the Department of General Services' initiatives which provide a framework for agencies to undertake operational changes in the target areas of energy efficiency and green buildings, buying green commodities, clean vehicle management, and recycling.



FEDERAL BLOCK GRANTS

The Federal government has two primary types of grants: categorical grants and block grants. The 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 the block grants provide states 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 based on changes in Federal law. The latest change is the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 that created two new block grants: Temporary Assistance to Needy Families and the Child Care Development Fund which replaced the Child Care Block Grant.

In addition, three programs have been included in this presentation because the Federal government provides flexibility on the activities eligible for funding. These programs are the following: Job Training Partnership, Innovative Education Program Strategies, and Anti-Drug Abuse Programs. The Job Training Partnership Act was replaced by the Workforce Development Act of 1998. The commonwealth will implement this new program in July 2000.

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 1998-99 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 1999-00 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 1997-98 expenditures, 1998-99 available and 1999-00 amounts budgeted as presented in the 1999-00 Governor's Executive Budget.

(Dollar Amounts in Thousands)

	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Community Services.....	\$ 21,422	\$ 20,735	\$ 24,535
Small Communities.....	75,361	75,825	75,825
Education.....	11,632	16,763	17,213
Maternal and Child Health.....	25,936	27,215	28,385
Preventive Health and Health Services.....	11,988	13,147	11,872
Substance Abuse.....	57,453	60,389	59,617
Job Training Partnership.....	176,419	230,213	216,993
Child Care and Development.....	11,262	0	0
Child Care and Development Fund.....	113,257	241,516	259,770
Low Income Home Energy Assistance.....	77,546	92,496	89,368
Mental Health Services.....	11,952	12,036	12,025
Social Services.....	190,665	183,300	170,001
Temporary Assistance to Needy Families.....	655,814	653,024	663,200
Anti-Drug Abuse.....	42,485	49,771	49,373
TOTAL.....	<u>\$ 1,483,192</u>	<u>\$ 1,676,430</u>	<u>\$ 1,678,177</u>



Community Services

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

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

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

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Community and Economic Development:			
CSBG — Administration.....	\$ 697	\$ 1,035	\$ 1,035
CSBG — Community Services.....	20,725	19,700	23,500
TOTAL.....	\$ 21,422	\$ 20,735	\$ 24,535

Small Communities

This block grant provides assistance in expanding low and moderate income housing opportunities, enhancing economic development and job opportunities for low and moderate income individuals, correcting deficiencies in public facilities such as water and sewer systems, and improving public facilities that affect the public health and safety.

The program provides funding to rehabilitate Pennsylvania's housing and infrastructure in order to benefit low and moderate income citizens.

Act 179 of 1984 requires that funds be allocated on a formula basis. Eighty-five percent of the funds must go for grants to eligible cities, boroughs/townships and counties, of which 24 percent is allocated to cities, 38 percent to boroughs/townships and 38 percent for counties. There is a 13 percent setaside for discretionary projects which the department plans to distribute to boroughs and townships under 10,000 in population. The remaining two percent is set aside for administrative costs.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Community and Economic Development:			
SCDBG — Administration.....	\$ 543	\$ 825	\$ 825
SCDBG — Small Communities.....	74,818	75,000	75,000
TOTAL.....	\$ 75,361	\$ 75,825	\$ 75,825



Education

The Improving America's Schools Act of 1994 reauthorized the Education block grant as Innovative Education Program Strategies. These funds are used for technical assistance and Statewide educational reform activities to provide innovative targeted educational assistance to schools. Funds may be used for the acquisition and enhancement of technology related to the implementation of school-based reform programs, training and professional development programs, instructional materials and assessments, library services and materials, literacy programs, gifted and talented programs, and services to private school students.

Federal law provides that the Commonwealth must distribute at least 85 percent of the funds to local education agencies. The remaining 15 percent is available to the State for targeted assistance and no more than 25 percent of this amount may be used for State administrative costs.

The school district portion is distributed according to a formula based on the number of students, poverty and population density.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Education:			
ESEA Title VI — Administration/State.....	\$ 1,839 ^a	\$ 3,213 ^a	\$ 3,213 ^a
School Districts:			
ESEA Title VI — School District Distribution	\$ 9,793	\$ 13,550	\$ 14,000
TOTAL.....	\$ 11,632	\$ 16,763	\$ 17,213

^a Includes carryover

Maternal and Child Health

This block grant provides funds for planning, promoting, and evaluating health care for pregnant women, mothers, infants, and children with special health care needs. This is accomplished by providing health services for mothers and children who do not otherwise have access to adequate health care and nutritional resources. Administrative costs cannot exceed ten percent.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Executive Offices:			
MCHSBG — Communities that Care.....	\$ 0	\$ 0	\$ 200
Health:			
MCHSBG — Administration and Operation..	\$ 12,268	\$ 13,028	\$ 13,207
MCHSBG — Program Services.....	13,668	14,187	14,978
TOTAL.....	\$ 25,936	\$ 27,215	\$ 28,385



Preventive Health and Health Services

This block grant provides funds for preventive health services. Programs include activities to affect improvements in health status through achievement of the National Year 2000 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 offenses; and related planning, administration and educational activities. Administration is limited to ten percent.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Executive Offices:			
PHHSBG — Communities that Care.....	\$ 550	\$ 550	\$ 0
Health:			
PHHSBG — Administration and Operation.....	\$ 3,157	\$ 3,678	\$ 3,766
PHHSBG — Block Program Services.....	6,410	6,543	5,650
Subtotal.....	\$ 9,567	\$ 10,221	\$ 9,416
Public Welfare:			
PHHSBG — Domestic Violence.....	\$ 150	\$ 150	\$ 150
PHHSBG — Rape Crisis	1,721	2,226	2,306
Subtotal.....	\$ 1,871	\$ 2,376	\$ 2,456
TOTAL.....	\$ 11,988	\$ 13,147	\$ 11,872

Substance Abuse

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

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Executive Offices:			
SABG — Communities that Care.....	\$ 0	\$ 0	\$ 200
Corrections:			
SABG — Drug and Alcohol.....	\$ 2,100 ^a	\$ 2,100	\$ 2,100
Health:			
SABG — Administration and Operation.....	\$ 4,390	\$ 4,650	\$ 4,798
SABG — Drug and Alcohol Services.....	53,063	51,656	50,536
Subtotal.....	\$ 57,453	\$ 56,306	\$ 55,334
Public Welfare:			
SABG — Homeless Services.....	\$ 1,983 ^a	\$ 1,983	\$ 1,983
TOTAL.....	\$ 57,453	\$ 60,389	\$ 59,617

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



Job Training Partnership

The Federal Job Training Partnership Act (JTPA) places responsibility for the administration of job training programs with the Commonwealth. The ultimate goal is to provide unsubsidized employment to those entering and completing the program. Under JTPA, Title II (Training Services for Disadvantaged) serves economically disadvantaged adults, youth and older workers. Title III (Employment and Training Assistance for Dislocated Workers) serves dislocated workers.

The Federal Workforce Investment Act of 1998 will replace JTPA and streamline the delivery of job training services. The act provides for an orderly transition from the Job Training Partnership Act to the new programs. The Job Training Partnership Act will be replaced effective July 1, 2000.

Funding for numerous programs will be consolidated into three basic grants: adult employment and training, disadvantaged youth employment and training, and adult education and family literacy programs. In addition, the law gives states and individuals more authority and responsibility for job training needs and decisions.

Career Link Centers will be established to provide "one-stop" access to employment related and training services. All core services will be available at one physical location. Core services will include job search and placement assistance (including career counseling), labor market information (which identifies job vacancies; skills needed for in-demand jobs; and local, regional and national trends); initial assessment of skills and needs; information about available services; and follow-up services to help the customers keep their jobs after placement.

Administration of these titles is shared by the Departments of Labor and Industry, Corrections, Education and the Office of the Budget.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Executive Offices:			
JTPA — Program Accountability.....	\$ 400	\$ 400	\$ 400
Corrections:			
JTPA — Correctional Education.....	\$ 158	\$ 184	\$ 184
Education:			
JTPA — Linkages.....	\$ 487	\$ 723	\$ 691
JTPA — Educational Training.....	2,994	3,886	3,310
Subtotal.....	\$ 3,481	\$ 4,609	\$ 4,001
Labor and Industry:			
JTPA — Administration.....	\$ 4,369	\$ 5,900	\$ 6,873
JTPA — Grants to Service Delivery Areas...	50,408	66,000	60,000
JTPA — Summer Youth	44,000	52,000	45,000
JTPA — Incentive Grants.....	3,013	3,620	3,000
JTPA — Older Workers.....	2,995	3,500	2,900
JTPA — Dislocated Workers.....	67,595	94,000	94,000
JTPA — Veterans' Employment.....	0	0	635
Subtotal.....	\$ 172,380	\$ 225,020	\$ 212,408
TOTAL.....	\$ 176,419	\$ 230,213	\$ 216,993

Child Care and Development

Funding for this program expired September 30, 1997. These programs are now funded through the Child Care and Development Fund Block Grant.

Funds were distributed to states by formula. Seventy-five percent of the grant was used either to provide child care services directly to families with incomes below 75 percent of the State median income or to increase the availability or quality of child care. The remaining funds were spent on programs to provide preschool education or to serve school-age children before and/or after school and for quality improvement activities.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Public Welfare:			
CCDBG — Administration.....	\$ 845	\$ 0	\$ 0
CCDBG — Family Centers.....	2,805	0	0
CCDBG — Child Care.....	7,612	0	0
TOTAL.....	\$ 11,262	\$ 0	\$ 0



Child Care and Development Fund

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created this block grant which provides funds to states for an integrated child care program. This program allows states flexibility in developing programs to provide child care to children of 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	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Public Welfare:			
CCDFBG — Administration.....	\$ 1,519	\$ 2,873	\$ 2,904
CCDFBG — Cash Grants.....	47,136	152,424	174,784
CCDFBG — Family Centers.....	4,818	7,623	0
CCDFBG — Child Care	58,524	76,725	80,211
CCDFBG — School Age.....	1,260	1,871	1,871
TOTAL.....	\$ 113,257	\$ 241,516	\$ 259,770

Low-Income Home Energy Assistance

This block grant provides funds to assist eligible low-income individuals and families to meet the cost of home energy through cash assistance and to alleviate crisis situations. The Department of Public Welfare's energy assistance program receives supplemental funding from the Energy Conservation and Assistance Fund. The fund provided \$4,000,000 in 1997-98, and \$1,700,000 in 1998-99, and \$1,600,000 in 1999-00 for the Low-Income Home Energy Assistance Program (LIHEAP).

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Community and Economic Development:			
LIHEABG — Administration.....	\$ 269	\$ 440	\$ 450
LIHEABG — Weatherization Program.....	11,348	12,000	12,000
Subtotal.....	\$ 11,617	\$ 12,440	\$ 12,450
Public Welfare:			
LIHEABG — Administration.....	\$ 5,889	\$ 6,603	\$ 6,642
LIHEABG — Families and Individuals.....	60,040	73,453	70,276
Subtotal.....	\$ 65,929	\$ 80,056	\$ 76,918
TOTAL.....	\$ 77,546	\$ 92,496	\$ 89,368



Mental Health Services

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

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Public Welfare:			
MHSBG — Administration.....	\$ 87	\$ 98	\$ 98
MHSBG — Community Mental Health.....	11,865	11,938	11,927
TOTAL.....	\$ 11,952	\$ 12,036	\$ 12,025

Social Services

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

The Omnibus Reconciliation Act of 1993 included a new grant program to states under the Social Services Block Grant for the establishment of empowerment zones and enterprise communities. Federal funds were targeted to specific urban or rural areas in proven economic distress. Funds received by the State go directly to eligible communities. Pennsylvania's share of the one-time grant was \$88,007,000 which was totally committed but is being spent over several years. The amounts shown below represent estimated carryover of commitments from the one-time grant. The program was transferred to the Department of Community and Economic Development in 1997-98.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Public Welfare:			
SSBG — Administration.....	\$ 3,900	\$ 3,690	\$ 3,691
SSBG — County Assistance	6,619	6,262	6,262
SSBG — Basic Institutional Program.....	0	1,056	1,056
SSBG — Community Mental Health	16,221	14,808	14,808
SSBG — Community Mental Retardation....	14,781	13,984	13,984
SSBG — Early Intervention.....	2,320	2,195	2,195
SSBG — Child Welfare.....	12,741	12,021	12,021
SSBG — Child Care	33,931	30,977	30,977
SSBG — Domestic Violence.....	1,321	1,205	1,205
SSBG — Rape Crisis.....	694	634	634
SSBG — Family Planning.....	4,212	3,845	3,845
SSBG — Legal Services.....	5,531	5,049	5,049
SSBG — Homeless Services.....	2,391	2,183	2,183
SSBG — Developmentally Disabled.....	127	120	120
SSBG — Attendant Care.....	7,368	6,971	6,971
Subtotal.....	\$ 112,157	\$ 105,000	\$ 105,001
Community and Economic Development			
Empowerment Zones and Enterprise Communities — SSBG.....	\$ 78,508	\$ 78,300 ^a	\$ 65,000 ^a
TOTAL.....	\$ 190,665	\$ 183,300	\$ 170,001

^a Estimated carryover



Temporary Assistance to Needy Families

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 created a block grant which makes funds available to the states to operate the Temporary Assistance to Needy Families (TANF) Program. Pennsylvania implemented the TANF program on March 3, 1997. Funds are available to provide temporary cash benefits to help needy families participating in activities designed to end the dependence on government benefits and to provide services for dependent and abused children. 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. Of the total transferred, no more than one third may be transferred to the Social Services Block Grant.

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Executive Offices:			
<i>Juvenile Court Judges Commission</i>			
TANFBG — Juvenile Probation Emergency Assistance Services.....	\$ 2,000	\$ 2,000	\$ 2,000
<i>Office of Inspector General</i>			
TANFBG — Program Accountability.....	1,454	2,500	2,000
Subtotal.....	\$ 3,454	\$ 4,500	\$ 4,000
Public Welfare:			
TANFBG — Administration.....	\$ 1,881	\$ 4,649	\$ 4,724
TANFBG — Information Systems.....	2,344	2,983	2,788
TANFBG — County Administration —			
Statewide.....	4,095	4,095	5,595
TANFBG — County Assistance Offices.....	44,802	45,302	45,361
TANFBG — New Directions.....	41,438	40,152	64,100
TANFBG — Cash Grants.....	437,000	417,743	399,699
TANFBG — Child Welfare.....	120,000	131,100	131,100
TANFBG — Domestic Violence.....	500	500	500
TANFBG — Rape Crisis.....	300	300	300
Subtotal.....	\$ 652,360	\$ 646,824	\$ 654,167
Transportation:			
TANFBG — Access to Jobs.....	\$ 0	\$ 700	\$ 5,033
TANFBG — Rural Transportation.....	0	1,000	0
Subtotal.....	\$ 0	\$ 1,700	\$ 5,033
TOTAL.....	\$ 655,814	\$ 653,024	\$ 663,200

Anti-Drug Abuse

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

The objective of the Drug Control and System Improvement grant is to assist states and units of local government for the purpose of increasing the apprehension, prosecution, adjudication, detention, rehabilitation and treatment of persons who violate State and local laws relating to the production, possession and transfer of controlled substances and to improve the criminal justice system.

The objective of the Safe and Drug Free Schools and Communities program is to establish State and local programs for alcohol and drug abuse education and prevention, in addition to violence prevention, coordinated with related community efforts and resources. The allocation made to Pennsylvania is administered by the Department of Education and the Commission on Crime and Delinquency, with the majority of these funds going to local education agencies.

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

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
DRUG CONTROL AND SYSTEM IMPROVEMENT			
FORMULA GRANT PROGRAM (DCSI)			
Executive Offices:			
<i>Juvenile Court Judges Commission</i>			
DCSI — Enhanced Data Collection.....	\$ 0	\$ 342 ^a	\$ 270 ^a
DCSI — Balanced and Restorative Justice.....	0	31 ^a	26 ^a
Subtotal.....	\$ 0	\$ 373	\$ 296
<i>Commission on Crime and Delinquency</i>			
DCSI — Administration.....	\$ 1,103	\$ 1,437	\$ 1,600
DCSI — Program Grants.....	16,672	24,000	24,000
DCSI — Criminal History Records.....	10	10	10
Subtotal.....	\$ 17,785	\$ 25,447	\$ 25,610
Lieutenant Governor:			
<i>Board of Pardons</i>			
DCSI — Automated Technology — JNET Connection.....	\$ 0	\$ 231 ^a	\$ 0
Aging:			
DCSI — Elder Abuse Education and Prevention.....	\$ 72 ^a	\$ 0	\$ 0
DCSI — Older Adult Protective Services Act.....	38 ^a	213 ^a	150 ^a
Subtotal.....	\$ 110	\$ 213	\$ 150
Attorney General:			
DCSI — Elder Abuse Investigation Training.....	\$ 97 ^a	\$ 94 ^a	\$ 19 ^a
DCSI — Elder Abuse Advisory Board.....	0	38 ^a	25 ^a
DCSI — Child Sexual Exploitation Prevention.....	0	25 ^a	41 ^a
DCSI — Criminal History Records Audits.....	64 ^a	0	0
DCSI — Monitoring Prescription Abuse.....	231 ^a	117 ^a	39 ^a
DCSI — Financial Investigations and Moneyhandling	9 ^a	530 ^a	327 ^a
DCSI — Organized Crime and Drug Enforcement.....	0	187 ^a	563 ^a
Subtotal.....	\$ 401	\$ 991	\$ 1,014

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

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
Corrections:			
DCSI — Women and Children.....	\$ 111 ^a	\$ 0	\$ 0
DCSI — Employment Opportunities.....	0	0	698 ^a
DCSI — Tracking System.....	27 ^a	47 ^a	0
DCSI — Victim Notification.....	52 ^a	25 ^a	0
DCSI — Therapeutic Community.....	134 ^a	134 ^a	18 ^a
DCSI — Drug Interdiction.....	33 ^a	33 ^a	0
DCSI — Inmate Records.....	62 ^a	142 ^a	110 ^a
DCSI — Ionscan Detection.....	388 ^a	224 ^a	39 ^a
DCSI — Video Conferencing.....	141 ^a	90 ^a	35 ^a
DCSI — Violent Crime Victims.....	0	87 ^a	37 ^a
DCSI — Data Information Transfer.....	0	300 ^a	257 ^a
DCSI — Electronic Inmate File System.....	0	225 ^a	169 ^a
DCSI — Computer Learning Center.....	0	50 ^a	0
Subtotal.....	\$ 948	\$ 1,357	\$ 1,363
Community and Economic Development:			
DCSI — Regional Police Peer Program.....	\$ 5 ^a	\$ 15 ^a	\$ 5 ^a
Probation and Parole:			
DCSI — County Adult Probation Automated System.....	\$ 25 ^a	\$ 4 ^a	\$ 0
DCSI — Office of Victim Advocate Automation Enhancement.....	0	141 ^a	0
DCSI — Office of Victim Advocate.....	82 ^a	49 ^a	0
DCSI — Digital Photograph System.....	0	556 ^a	556 ^a
DCSI — Intensive Supervision Units.....	1,033 ^a	685 ^a	0
DCSI — Automated File Location System.....	0	75 ^a	0
DCSI — County SAVE.....	0	933 ^a	803 ^a
DCSI — Residential Substance Abuse Treatment Aftercare....	0	395 ^a	305 ^a
DCSI — Assessment Board.....	344 ^a	841 ^a	395 ^a
Subtotal.....	\$ 1,484	\$ 3,679	\$ 2,059
Health:			
DCSI — Adult Offender Treatment.....	\$ 0	\$ 285 ^a	\$ 422 ^a
Military and Veterans Affairs:			
DCSI — Law Enforcement Training.....	\$ 0	\$ 140 ^a	\$ 0
Public Welfare:			
DCSI — Mental Health Initiatives.....	\$ 0	\$ 281 ^a	\$ 98 ^a
DCSI — YDC/YFC Review and Assessment.....	0	75 ^a	50 ^a
DCSI — Medical and Psychiatric Services Assessment.....	0	24 ^a	16 ^a
Subtotal.....	\$ 0	\$ 380	\$ 164

Anti-Drug Abuse (continued)

(Dollar Amounts in Thousands)

Department / Appropriation	1997-98 Actual Block	1998-99 Available Block	1999-00 Recommended Block
State Police:			
DCSI — Ballistics.....	\$ 0	\$ 365	\$ 0
DCSI — Protection From Abuse.....	139 ^a	0	0
DCSI — Robotic DNA Sampling.....	0	150 ^a	0
DCSI — AFIS Upgrade.....	0	800 ^a	0
Subtotal.....	<u>\$ 139</u>	<u>\$ 1,315</u>	<u>\$ 0</u>
TOTAL.....	<u>\$ 17,785</u>	<u>\$ 25,812</u>	<u>\$ 25,610</u>
 SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (DFSC)			
Executive Offices:			
<i>Commission on Crime and Delinquency</i>			
DFSC — Partnership for Children.....	\$ 0	\$ 50 ^a	\$ 0
DFSC — Special Programs.....	4,469	5,200	5,200
Subtotal.....	<u>\$ 4,469</u>	<u>\$ 5,250</u>	<u>\$ 5,200</u>
Education:			
DFSC — Administration.....	\$ 875	\$ 1,591	\$ 1,591
DFSC — School Districts.....	19,356	17,168	16,972
Subtotal.....	<u>\$ 20,231</u>	<u>\$ 18,759</u>	<u>\$ 18,563</u>
Health:			
DFSC — Special Programs/Student Assistance Program.....	\$ 1,106 ^a	\$ 1,125 ^a	\$ 1,125 ^a
Military and Veterans Affairs:			
DFSC — Scotland School for Veterans Children.....	\$ 2 ^a	\$ 2 ^a	\$ 2 ^a
Public Welfare:			
DFSC — Special Programs/Juvenile Aftercare Services	\$ 1,100 ^a	\$ 1,225 ^a	\$ 1,225 ^a
DFSC — Special Programs/Domestic Violence.....	425 ^a	425 ^a	425 ^a
DFSC — Special Programs/Rape Crisis.....	142 ^a	142 ^a	142 ^a
Subtotal.....	<u>\$ 1,667</u>	<u>\$ 1,792</u>	<u>\$ 1,792</u>
TOTAL.....	<u>\$ 24,700</u>	<u>\$ 23,959</u>	<u>\$ 23,763</u>
GRAND TOTAL ALL PROGRAMS.....	<u>\$ 42,485</u>	<u>\$ 49,771</u>	<u>\$ 49,373</u>

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



Public Information and Communications

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

<u>Department</u>	(Dollar Amounts in Thousands)	
	<u>1998-99</u> <u>Estimate</u>	<u>1999-00</u> <u>Estimate</u>
Governor's Office.....	\$ 911	\$ 938
Executive Offices.....	270	279
Lieutenant Governor's Office.....	65	68
Aging.....	142	145
Agriculture.....	214	280
Banking.....	35	36
Civil Service Commission.....	40	43
Community and Economic Development.....	330	355
Conservation and Natural Resources.....	196	207
Corrections.....	184	192
Education.....	276	280
Emergency Management Agency.....	95	98
Environmental Protection.....	2,207	2,141
Fish and Boat Commission.....	95	95
Game Commission.....	222	225
General Services.....	116	118
Health.....	331	345
Historical and Museum Commission.....	100	105
Insurance.....	160	165
Labor and Industry.....	335	347
Liquor Control Board.....	164	174
Military and Veterans Affairs.....	115	118
Milk Marketing Board.....	186	190
Board of Probation and Parole.....	64	67
Public Television Network.....	10	11
Public Utility Commission.....	158	165
Public Welfare.....	360	377
Revenue.....	284	299
Securities Commission.....	24	25
State.....	201	204
State Police.....	199	206
Transportation.....	849	947
TOTAL.....	\$ 8,938	\$ 9,245

The Commonwealth also spends funds in these areas:

- *Lottery sales promotion* - \$18.5 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 1999-00. These expenditures are expected to generate approximately \$929 million in lottery revenues during 1999-00.
- *Economic development* - A total of \$28.2 million is budgeted in the General Fund to promote tourism and economic development. This will contribute to an estimated \$13.2 billion in 1999-00 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.



Governor's Executive Budget

PROGRAM
BUDGET
SUMMARY



COMMONWEALTH PROGRAM BUDGET

This section summarizes the 1999-00 fiscal year budget by major revenue source and major program area of expenditure. This summary includes programs funded from the General Fund, the ten 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.



Program Budget Summary

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)

	1997-98 <u>Actual</u>	1998-99 <u>Available</u>	1999-00 <u>Budget</u>	2000-01 <u>Estimated</u>	2001-02 <u>Estimated</u>	2002-03 <u>Estimated</u>	2003-04 <u>Estimated</u>
BEGINNING BALANCES							
General Fund (a).....	\$ 402,278	\$ 265,377	\$ 306,926	\$ 0	\$ 0	\$ 0	\$ 0
Special Funds (b).....	433,714	517,805	427,860	325,851	278,822	217,864	146,703
Total.....	<u>\$ 835,992</u>	<u>\$ 783,182</u>	<u>\$ 734,786</u>	<u>\$ 325,851</u>	<u>\$ 278,822</u>	<u>\$ 217,864</u>	<u>\$ 146,703</u>
REVENUES							
General Fund:							
Corporation Taxes.....	\$ 3,998,353	\$ 3,892,700	\$ 4,068,200	\$ 4,208,900	\$ 4,341,600	\$ 4,299,900	\$ 4,418,400
Personal Income Tax.....	6,236,383	6,513,000	6,701,800	7,033,800	7,318,500	7,589,200	7,842,500
Sales and Use Taxes.....	6,152,191	6,490,500	6,632,000	6,899,500	7,150,600	7,379,200	7,659,100
All Other Revenues/Taxes.....	1,736,241	1,827,440	1,835,900	1,887,100	1,957,200	2,027,700	2,097,700
Less Refunds.....	-910,000	-630,000	-640,000	-650,000	-663,000	-676,000	-690,000
Proposed Tax Cuts.....	0	0	-257,600	-234,100	-228,800	-226,500	-228,000
Total General Fund.....	<u>\$ 17,213,168</u>	<u>\$ 18,093,640</u>	<u>\$ 18,340,300</u>	<u>\$ 19,145,200</u>	<u>\$ 19,876,100</u>	<u>\$ 20,393,500</u>	<u>\$ 21,099,700</u>
Special Funds.....	3,007,075	3,027,173	3,001,029	3,022,081	3,047,296	3,132,474	3,273,225
Federal Funds.....	8,874,403	10,532,343	10,794,834	10,992,939	11,360,229	11,713,958	12,032,256
Other Funds.....	4,594,686	4,998,115	4,744,025	4,785,022	4,836,578	4,795,237	4,830,826
Total Revenues and Balances.....	<u><u>\$ 34,525,324</u></u>	<u><u>\$ 37,434,453</u></u>	<u><u>\$ 37,614,974</u></u>	<u><u>\$ 38,271,093</u></u>	<u><u>\$ 39,399,025</u></u>	<u><u>\$ 40,253,033</u></u>	<u><u>\$ 41,382,710</u></u>
PROGRAM EXPENDITURES							
Direction and Supportive							
Services.....	\$ 1,423,853	\$ 1,506,197	\$ 1,548,241	\$ 1,557,219	\$ 1,569,126	\$ 1,601,717	\$ 1,648,354
Protection of Persons and Property.....	3,450,398	3,963,589	4,097,297	4,188,798	4,248,878	4,296,067	4,345,965
Education.....	9,122,872	9,479,012	9,692,492	9,710,624	9,777,354	9,771,723	9,789,682
Health and Human Services.....	14,193,042	15,497,577	15,713,328	16,277,017	17,065,938	17,885,561	18,704,373
Economic Development.....	1,623,508	1,933,321	1,832,985	1,856,016	1,879,298	1,865,631	1,865,312
Transportation and Communications.....	3,400,778	3,895,217	3,870,624	3,872,229	3,912,480	3,857,166	3,903,553
Recreation and Cultural Enrichment.....	407,436	492,591	469,635	479,688	475,690	483,078	490,641
General Salary Increase.....	0	0	42,000	42,840	43,697	44,571	45,462
Less General Fund Lapses.....	-103,047	-100,000	0	0	0	0	0
Less Special Fund Lapses.....	0	-22,000	0	0	0	0	0
Total Operating Expenditures.....	<u>\$ 33,518,840</u>	<u>\$ 36,645,504</u>	<u>\$ 37,266,602</u>	<u>\$ 37,984,431</u>	<u>\$ 38,972,461</u>	<u>\$ 39,805,514</u>	<u>\$ 40,793,342</u>
Transfer to Tax Stabilization Reserve Fund.....	-223,302	-54,163	-3,378	-1,176	-31,305	-45,122	-70,195
ENDING BALANCES							
General Fund.....	\$ 265,377	\$ 306,926	\$ 19,143	\$ 6,664	\$ 177,395	\$ 255,694	\$ 397,771
Special Funds (b).....	327,805	237,860	135,851	118,822	117,864	118,703	116,402
Total.....	<u><u>\$ 593,182</u></u>	<u><u>\$ 544,786</u></u>	<u><u>\$ 154,994</u></u>	<u><u>\$ 125,486</u></u>	<u><u>\$ 295,259</u></u>	<u><u>\$ 374,397</u></u>	<u><u>\$ 514,173</u></u>

(a) Balances are not carried forward beyond 2000-01.

(b) Includes Lottery Fund reserve.

Program Budget Summary

Seven Year Summary of Commonwealth Programs

The following is a summary for the seven Commonwealth Programs of 1997-98 actual expenditures, 1998-99 amounts available, 1999-00 amounts budgeted and future year estimates for all the operating funds and capital bond authorizations as presented in the 1999-00 Governor's Executive Budget. A breakdown of each Commonwealth Program by Category and Subcategory is shown on subsequent pages.

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Direction and Supportive Services							
General Fund.....	\$ 634,833	\$ 684,097	\$ 704,593	\$ 707,692	\$ 712,145	\$ 721,759	\$ 729,755
Special Funds.....	327,446	346,278	370,093	373,077	376,990	396,662	431,423
Federal Funds.....	7,620	9,918	8,685	8,685	8,685	8,685	8,685
Other Funds.....	453,954	465,904	464,870	467,765	471,306	474,611	478,491
Total Operating.....	\$ 1,423,853	\$ 1,506,197	\$ 1,548,241	\$ 1,557,219	\$ 1,569,126	\$ 1,601,717	\$ 1,648,354
Capital Bond Authorizations.....	\$ 429,322	\$ 0	\$ 12,463	\$ 22,044	\$ 23,341	\$ 24,638	\$ 25,935
Program Total.....	\$ 1,853,175	\$ 1,506,197	\$ 1,560,704	\$ 1,579,263	\$ 1,592,467	\$ 1,626,355	\$ 1,674,289
Protection of Persons and Property							
General Fund.....	\$ 1,874,381	\$ 2,045,452	\$ 2,148,328	\$ 2,207,116	\$ 2,253,291	\$ 2,292,801	\$ 2,331,424
Special Funds.....	406,363	433,902	451,638	466,711	469,201	465,254	472,879
Federal Funds.....	245,788	409,538	459,349	454,997	453,305	452,843	452,295
Other Funds.....	923,866	1,074,697	1,037,982	1,059,974	1,073,081	1,085,169	1,089,367
Total Operating.....	\$ 3,450,398	\$ 3,963,589	\$ 4,097,297	\$ 4,188,798	\$ 4,248,878	\$ 4,296,067	\$ 4,345,965
Capital Bond Authorizations.....	\$ 516,205	\$ 80,298	\$ 63,247	\$ 46,661	\$ 49,319	\$ 51,275	\$ 53,932
Program Total.....	\$ 3,966,603	\$ 4,043,887	\$ 4,160,544	\$ 4,235,459	\$ 4,298,197	\$ 4,347,342	\$ 4,399,897
Education							
General Fund.....	\$ 7,679,199	\$ 7,927,696	\$ 8,105,536	\$ 8,122,889	\$ 8,188,171	\$ 8,180,898	\$ 8,197,272
Special Funds.....	9,798	12,185	9,917	9,951	10,641	11,508	12,304
Federal Funds.....	887,293	1,042,580	1,060,682	1,060,682	1,060,682	1,060,682	1,060,682
Other Funds.....	546,582	496,551	516,357	517,102	517,860	518,635	519,424
Total Operating.....	\$ 9,122,872	\$ 9,479,012	\$ 9,692,492	\$ 9,710,624	\$ 9,777,354	\$ 9,771,723	\$ 9,789,682
Capital Bond Authorizations.....	\$ 1,067,984	\$ 7,402	\$ 29,044	\$ 42,922	\$ 45,446	\$ 47,971	\$ 50,496
Program Total.....	\$ 10,190,856	\$ 9,486,414	\$ 9,721,536	\$ 9,753,546	\$ 9,822,800	\$ 9,819,694	\$ 9,840,178
Health and Human Services							
General Fund.....	\$ 5,903,124	\$ 6,231,908	\$ 6,437,697	\$ 6,812,002	\$ 7,197,293	\$ 7,588,446	\$ 8,055,868
Special Funds.....	610,038	653,520	652,824	658,974	686,697	733,719	763,944
Federal Funds.....	6,593,735	7,480,928	7,626,288	7,796,860	8,169,129	8,548,320	8,867,166
Other Funds.....	1,086,145	1,131,221	996,519	1,009,181	1,012,819	1,015,076	1,017,395
Total Operating.....	\$ 14,193,042	\$ 15,497,577	\$ 15,713,328	\$ 16,277,017	\$ 17,065,938	\$ 17,885,561	\$ 18,704,373
Capital Bond Authorizations.....	\$ 25,770	\$ 6,540	\$ 19,663	\$ 14,849	\$ 15,722	\$ 16,596	\$ 17,469
Program Total.....	\$ 14,218,812	\$ 15,504,117	\$ 15,732,991	\$ 16,291,866	\$ 17,081,660	\$ 17,902,157	\$ 18,721,842
Economic Development							
General Fund.....	\$ 593,748	\$ 641,744	\$ 585,035	\$ 620,828	\$ 645,187	\$ 629,987	\$ 625,027
Special Funds.....	0	0	0	0	0	0	0
Federal Funds.....	408,653	662,874	664,145	662,406	662,406	662,406	662,406
Other Funds.....	621,107	628,703	583,805	572,782	571,705	573,238	577,879
Total Operating.....	\$ 1,623,508	\$ 1,933,321	\$ 1,832,985	\$ 1,856,016	\$ 1,879,298	\$ 1,865,631	\$ 1,865,312
Capital Bond Authorizations.....	\$ 1,482,637	\$ 240	\$ 16,676	\$ 1,175	\$ 1,244	\$ 1,313	\$ 1,382
Program Total.....	\$ 3,106,145	\$ 1,933,561	\$ 1,849,661	\$ 1,857,191	\$ 1,880,542	\$ 1,866,944	\$ 1,866,694

Program Budget Summary

Seven Year Summary of Commonwealth Programs

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Transportation and Communication							
General Fund.....	\$ 345,324	\$ 345,640	\$ 356,793	\$ 366,136	\$ 376,312	\$ 381,895	\$ 393,599
Special Funds.....	1,415,326	1,498,668	1,466,670	1,409,448	1,412,008	1,438,233	1,453,941
Federal Funds.....	708,234	892,851	945,089	980,713	977,426	952,426	952,426
Other Funds.....	931,894	1,158,058	1,102,072	1,115,932	1,146,734	1,084,612	1,103,587
Total Operating.....	\$ 3,400,778	\$ 3,895,217	\$ 3,870,624	\$ 3,872,229	\$ 3,912,480	\$ 3,857,166	\$ 3,903,553
Capital Bond Authorizations.....	\$ 1,134,979	\$ 7,411	\$ 173,762	\$ 47,219	\$ 87,644	\$ 98,068	\$ 108,493
Program Total.....	\$ 4,535,757	\$ 3,902,628	\$ 4,044,386	\$ 3,919,448	\$ 4,000,124	\$ 3,955,234	\$ 4,012,046
Recreation and Cultural Enrichment							
General Fund.....	\$ 199,205	\$ 221,391	\$ 244,723	\$ 257,857	\$ 251,304	\$ 252,327	\$ 253,327
Special Funds.....	126,404	165,666	124,702	123,582	125,176	130,562	136,138
Federal Funds.....	23,080	33,654	30,596	28,596	28,596	28,596	28,596
Other Funds.....	58,747	71,880	69,614	69,653	70,614	71,593	72,580
Total Operating.....	\$ 407,436	\$ 492,591	\$ 469,635	\$ 479,688	\$ 475,690	\$ 483,078	\$ 490,641
Capital Bond Authorizations.....	\$ 1,397,318	\$ 12,375	\$ 42,549	\$ 45,630	\$ 50,784	\$ 52,939	\$ 57,093
Program Total.....	\$ 1,804,754	\$ 504,966	\$ 512,184	\$ 525,318	\$ 526,474	\$ 536,017	\$ 547,734
General Salary Increase							
General Fund.....	\$ 0	\$ 0	\$ 42,000	\$ 42,840	\$ 43,697	\$ 44,571	\$ 45,462
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
Total Operating.....	\$ 0	\$ 0	\$ 42,000	\$ 42,840	\$ 43,697	\$ 44,571	\$ 45,462
Capital Bond Authorizations.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Program Total.....	\$ 0	\$ 0	\$ 42,000	\$ 42,840	\$ 43,697	\$ 44,571	\$ 45,462
COMMONWEALTH TOTALS							
General Fund.....	\$ 17,229,814	\$ 18,097,928	\$ 18,624,705	\$ 19,137,360	\$ 19,667,400	\$ 20,092,684	\$ 20,631,734
Special Funds.....	2,895,375	3,110,219	3,075,844	3,041,743	3,080,713	3,175,938	3,270,629
Federal Funds.....	8,874,403	10,532,343	10,794,834	10,992,939	11,360,229	11,713,958	12,032,256
Other Funds.....	4,622,295	5,027,014	4,771,219	4,812,389	4,864,119	4,822,934	4,858,723
Total Operating.....	\$ 33,621,887	\$ 36,767,504	\$ 37,266,602	\$ 37,984,431	\$ 38,972,461	\$ 39,805,514	\$ 40,793,342
Capital Bond Authorizations.....	\$ 6,054,215	\$ 114,266	\$ 357,404	\$ 220,500	\$ 273,500	\$ 292,800	\$ 314,800
Program Total.....	\$ 39,676,102	\$ 36,881,770	\$ 37,624,006	\$ 38,204,931	\$ 39,245,961	\$ 40,098,314	\$ 41,108,142

Program Budget Summary

Direction and Supportive Services

The goal of this Commonwealth program is to provide an effective administrative support system through which the goals and objectives of the Commonwealth programs can be attained.

Centralized functions affecting all agencies make up this program. Administrative costs specifically related to particular programs usually appear in a program subcategory to which they specifically relate. This Commonwealth program supports the Ridge Administration goal of Making Government User Friendly and Customer Focused through the activities of centralized agencies to support this goal.

The agencies in this program include the Governor's Office, Executive Offices, Lieutenant Governor, Auditor General, Treasury, Civil Service Commission, Department of General Services, Department of Revenue, the State Employees' Retirement System and the Legislature.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Administrative and Support Services.....	\$ 83,550	\$ 113,380	\$ 113,676	\$ 108,432	\$ 104,082	\$ 105,806	\$ 107,993
Executive Direction.....	80,355	97,561	110,390	105,081	100,664	102,320	104,438
Personnel Selection.....	(10)	1	1	1	1	1	1
State Retirement System.....	15	12,624	15	15	15	15	15
Legal Services.....	3,190	3,194	3,270	3,335	3,402	3,470	3,539
Fiscal Management.....	\$ 482,567	\$ 534,218	\$ 561,469	\$ 568,245	\$ 576,025	\$ 598,931	\$ 637,713
Revenue Collection and Administration.....	404,672	437,652	461,197	466,608	472,997	494,483	531,818
Disbursement.....	37,027	54,393	56,978	57,477	57,985	58,504	59,033
Auditing.....	40,868	42,173	43,294	44,160	45,043	45,944	46,862
Physical Facilities and Commodities Management.....	\$ 129,707	\$ 118,244	\$ 120,796	\$ 120,808	\$ 121,066	\$ 123,258	\$ 125,094
Facility, Property and Commodity Management.....	129,707	118,244	120,796	120,808	121,066	123,258	125,094
Legislative Processes.....	\$ 203,193	\$ 208,849	\$ 214,718	\$ 214,683	\$ 214,683	\$ 214,683	\$ 214,683
Legislature.....	203,193	208,849	214,718	214,683	214,683	214,683	214,683
Interstate Relations.....	\$ 767	\$ 874	$ 774	$ 774	$ 774	$ 774	\$ 774
Interstate Relations.....	767	874	774	774	774	774	774
Debt Service.....	\$ 62,495	\$ 54,810	\$ 63,253	\$ 67,827	\$ 72,505	\$ 74,969	\$ 74,921
Debt Service.....	62,495	54,810	63,253	67,827	72,505	74,969	74,921
PROGRAM TOTAL.....	\$ 962,279	\$ 1,030,375	\$ 1,074,686	\$ 1,080,769	\$ 1,089,135	\$ 1,118,421	\$ 1,161,178

Program Budget Summary

Protection of Persons and Property

The goal of this Commonwealth program is to provide an environment and a social system in which the lives of individuals and the property of individuals and organizations are protected from natural and man-made disasters and from illegal and unfair actions. This Commonwealth program supports the Ridge Administration goal of Protecting our Homes and Communities as well as the goal of Building a New Environmental Partnership

This program deals with the following substantive areas: consumer 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, Attorney General, Department of Corrections, Public Utility Commission, Liquor Control Board, Department of Military and Veterans Affairs, Emergency Management Agency, Board of Probation and Parole, State Judicial System, Milk Marketing Board, Securities Commission, 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 and Labor and Industry are more diversified and some of their activities are included in this program as well as other Commonwealth programs.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
General Administration and Support.....	\$ 46,007	\$ 51,930	\$ 57,177	\$ 57,520	\$ 58,042	\$ 58,572	\$ 59,113
Criminal and Juvenile Justice Planning.....	24,894	29,084	36,683	36,520	36,609	36,699	36,791
Environmental Support Services.....	21,113	22,846	20,494	21,000	21,433	21,873	22,322
Public Protection and Law Enforcement.....	\$ 546,271	\$ 587,060	\$ 611,017	\$ 630,940	\$ 640,390	\$ 639,841	\$ 652,614
State Police.....	396,917	425,027	430,954	449,903	463,454	464,695	473,989
Attorney General.....	58,642	62,082	67,236	65,625	66,935	68,271	69,633
Highway Safety Administration and Licensing.....	90,712	99,951	112,827	115,412	110,001	106,875	108,992
Control and Reduction of Crime.....	\$ 1,050,367	\$ 1,124,721	\$ 1,172,900	\$ 1,213,896	\$ 1,237,797	\$ 1,262,180	\$ 1,287,048
Institutionalization of Offenders.....	976,734	1,045,450	1,087,148	1,126,637	1,149,170	1,172,155	1,195,598
Reintegration of Adult Offenders.....	73,633	79,271	85,752	87,259	88,627	90,025	91,450
Juvenile Crime Prevention.....	\$ 7,474	\$ 12,735	\$ 17,917	\$ 16,978	\$ 16,998	\$ 17,025	\$ 17,052
Reintegration of Juvenile Delinquents.....	7,474	12,735	17,917	16,978	16,998	17,025	17,052
Adjudication of Defendants.....	\$ 187,780	\$ 207,312	\$ 217,010	\$ 220,703	\$ 224,467	\$ 228,305	\$ 232,222
State Judicial System.....	187,780	207,312	217,010	220,703	224,467	228,305	232,222
Public Order and Community Safety.....	\$ 21,131	\$ 23,044	\$ 22,383	\$ 22,727	\$ 23,179	\$ 23,641	\$ 24,112
Emergency Management.....	6,083	6,841	5,748	5,760	5,874	5,990	6,109
State Military Readiness.....	15,048	16,203	16,635	16,967	17,305	17,651	18,003
Protection From Natural Hazards and Disasters.....	\$ 163,291	\$ 183,252	\$ 193,850	\$ 196,233	\$ 198,648	\$ 201,115	\$ 203,627
Environmental Protection and Management.....	163,291	183,252	193,850	196,233	198,648	201,115	203,627
Consumer Protection.....	\$ 97,122	\$ 119,576	\$ 142,197	\$ 143,008	\$ 144,340	\$ 145,744	\$ 147,133
Consumer Protection.....	3,913	5,643	4,631	5,149	5,231	5,336	5,443
Financial Institution Regulation.....	8,773	9,440	9,929	10,066	10,267	10,472	10,681
Securities Industry Regulation.....	2,135	2,074	2,140	2,183	2,227	2,272	2,317
Insurance Industry Regulation.....	16,475	31,997	53,717	53,854	54,231	54,616	55,008
Horse Racing Regulation.....	19,068	20,325	20,271	19,747	19,747	19,766	19,745
Milk Industry Regulation.....	2,307	2,650	2,360	2,407	2,455	2,504	2,554



Program Budget Summary

Protection of Persons and Property (continued) Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Protection and Development of Agricultural Industries.....	44,451	47,447	49,149	49,602	50,182	50,778	51,385
Community and Occupational Safety and Stability..... \$	25,553 \$	43,694 \$	26,276 \$	24,761 \$	25,257 \$	25,762 \$	26,277
Community and Occupational Safety and Stability.....	24,292	21,691	24,558	23,009	23,470	23,939	24,418
Fire Prevention and Safety.....	1,261	22,003	1,718	1,752	1,787	1,823	1,859
Prevention & Elimination of Discriminatory Practices \$	9,251 \$	10,462 \$	10,755 \$	10,460 \$	10,668 \$	10,881 \$	11,098
Prevention & Elimination of Discriminatory Practices.....	9,251	10,462	10,755	10,460	10,668	10,881	11,098
Debt Service..... \$	126,497 \$	115,568 \$	128,484 \$	136,601 \$	142,706 \$	144,989 \$	144,007
Debt Service.....	126,497	115,568	128,484	136,601	142,706	144,989	144,007
PROGRAM TOTAL..... \$	2,280,744 \$	2,479,354 \$	2,599,966 \$	2,673,827 \$	2,722,492 \$	2,758,055 \$	2,804,303

Program Budget Summary

Education

The goal of this program is to provide a system of learning experiences and opportunities that will permit each individual to achieve his or her maximum potential intellectual development.

Services are provided through this program in the areas of preschool, elementary and secondary, vocational, higher and continuing adult education. This Commonwealth program supports the Ridge Administration goal of Lifetime Learning. This Commonwealth program is financed primarily through the Department of Education. Other agencies providing support are the Department of Revenue, the Higher Education Assistance Agency and the Tax Equalization Board.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Educational Support Services.....	\$ 19,257	\$ 22,893	\$ 24,209	\$ 21,681	\$ 22,119	\$ 22,567	\$ 23,024
Educational Support Services.....	19,257	22,893	24,209	21,681	22,119	22,567	23,024
Basic Education.....	\$ 5,958,961	\$ 6,160,000	\$ 6,251,790	\$ 6,258,762	\$ 6,298,579	\$ 6,286,370	\$ 6,302,553
Basic Education.....	5,867,518	6,064,887	6,172,496	6,177,786	6,215,862	6,243,098	6,258,352
Public Utility Realty Payments.....	91,443	95,113	79,294	80,976	82,717	43,272	44,201
Higher Education.....	\$ 1,581,869	\$ 1,644,322	\$ 1,709,836	\$ 1,714,372	\$ 1,731,564	\$ 1,732,398	\$ 1,733,160
Higher Education.....	1,283,953	1,329,656	1,362,881	1,350,883	1,351,541	1,352,375	1,353,137
Financial Assistance To Students.....	261,171	276,727	308,068	324,602	341,136	341,136	341,136
Financial Assistance To Institutions.....	36,745	37,939	38,887	38,887	38,887	38,887	38,887
Debt Service.....	\$ 128,910	\$ 112,666	\$ 129,618	\$ 138,025	\$ 146,550	\$ 151,071	\$ 150,839
Debt Service.....	128,910	112,666	129,618	138,025	146,550	151,071	150,839
PROGRAM TOTAL.....	\$ 7,688,997	\$ 7,939,881	\$ 8,115,453	\$ 8,132,840	\$ 8,198,812	\$ 8,192,406	\$ 8,209,576



Program Budget Summary

Health and Human Services

The goals of this program are to ensure that all citizens of the Commonwealth have access to a comprehensive quality medical care system; to support people seeking self-sufficiency; to provide military assistance; and to provide a system of services that maximizes the capacity of individuals and families to participate in society and to minimize socially aberrant behavior. This Commonwealth program includes activities that support the Ridge Administration goal of Strengthening Families and Communities.

This program deals with the following substantive areas: research; prevention and treatment of physical, mental health and mental retardation disorders; maternal and child health care; financial assistance for older Pennsylvanians, medically needy, and families with dependent children; and other programs aimed at addressing the various problems individuals encounter in a complex society.

These activities are primarily the responsibility of the Departments of Aging, Health and Public Welfare with contributions by the Departments of Agriculture, Labor and Industry, Military and Veterans Affairs, Revenue and Transportation.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Human Services Support	\$ 63,388	\$ 64,981	\$ 67,118	\$ 69,050	\$ 70,416	\$ 71,808	\$ 73,229
Human Services Support.....	63,388	64,981	67,118	69,050	70,416	71,808	73,229
Social Development of Individuals	\$ 625,551	\$ 659,446	\$ 746,338	\$ 797,715	\$ 852,926	\$ 912,262	\$ 976,033
Human Services.....	625,551	659,446	746,338	797,715	852,926	912,262	976,033
Support of Older Pennsylvanians	\$ 642,576	\$ 698,438	\$ 695,912	\$ 702,068	\$ 729,797	\$ 776,826	\$ 807,058
Community Services for Older Pennsylvanians.....	198,719	207,021	210,696	215,450	220,835	226,368	232,053
Older Pennsylvanians Transit.....	123,400	148,117	145,216	147,618	149,962	152,458	155,005
Homeowners and Renters Assistance.....	83,457	83,300	80,000	79,000	78,000	77,000	76,000
Pharmaceutical Assistance.....	237,000	260,000	260,000	260,000	281,000	321,000	344,000
Income Maintenance	\$ 790,921	\$ 768,375	\$ 750,969	\$ 757,383	\$ 766,270	\$ 775,024	\$ 783,829
Income Maintenance.....	782,651	758,094	740,436	746,850	755,737	764,491	773,296
Workers Compensation and Assistance.....	4,126	3,887	3,661	3,661	3,661	3,661	3,661
Military Compensation and Assistance.....	4,144	6,394	6,872	6,872	6,872	6,872	6,872
Physical Health Treatment	\$ 2,971,018	\$ 3,240,485	\$ 3,350,274	\$ 3,649,980	\$ 3,956,506	\$ 4,265,848	\$ 4,648,680
Medical Assistance.....	2,701,275	2,952,007	3,060,403	3,358,785	3,663,263	3,970,208	4,350,591
Health Treatment Services.....	19,186	21,269	20,599	20,599	20,599	20,599	20,599
Health Support Services.....	29,429	32,199	36,087	35,442	35,938	36,652	37,382
Health Research.....	8,560	9,220	9,348	9,463	9,580	9,699	9,821
Emergency Food Assistance.....	14,352	18,775	15,464	15,464	15,464	15,464	15,464
Prevention and Treatment of Drug and Alcohol Abuse.....	37,160	37,410	38,173	38,173	38,173	38,173	38,173
Preventive Health.....	105,774	110,033	111,860	112,325	112,566	112,912	113,266
Veterans Homes and School.....	55,282	59,572	58,340	59,729	60,923	62,141	63,384
Mental Health	\$ 617,223	\$ 631,589	\$ 634,286	\$ 642,506	\$ 650,890	\$ 659,442	\$ 668,166
Mental Health.....	617,223	631,589	634,286	642,506	650,890	659,442	668,166
Mental Retardation	\$ 763,043	\$ 787,412	\$ 807,089	\$ 813,358	\$ 815,702	\$ 818,091	\$ 820,526
Mental Retardation.....	763,043	787,412	807,089	813,358	815,702	818,091	820,526

Program Budget Summary

Health and Human Services (continued) Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Debt Service.....	\$ 39,442	\$ 34,702	\$ 38,535	\$ 38,916	\$ 41,483	\$ 42,864	\$ 42,291
Debt Service.....	39,442	34,702	38,535	38,916	41,483	42,864	42,291
PROGRAM TOTAL.....	\$ 6,513,162	\$ 6,885,428	\$ 7,090,521	\$ 7,470,976	\$ 7,883,990	\$ 8,322,165	\$ 8,819,812

Program Budget Summary

Economic Development

The goal of this program is to provide a system in which the employment opportunities of individuals, the economic growth and development of communities and the overall economic development of the Commonwealth will be maximized, including optimum use of natural resources to support economic growth. This Commonwealth program supports the Ridge Administration goal of Creating Economic Opportunity.

This program is concerned with the Commonwealth's efforts in business attraction and retention, industrial development, employability development, community improvement, resource development, labor-management relations and job training.

The total efforts of the Department of Community and Economic Development 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)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Economic Development Support Services..... \$	.47,496 \$	60,057 \$	69,294 \$	70,288 \$	71,232 \$	72,194 \$	73,177
Economic Development Support Services.....	47,496	60,057	69,294	70,288	71,232	72,194	73,177
Commonwealth Economic Development..... \$	155,297 \$	202,482 \$	177,098 \$	179,000 \$	174,610 \$	176,528 \$	175,455
Business and Job Development.....	111,097	157,082	140,198	142,100	137,710	139,628	138,555
Technology Development.....	44,200	45,400	36,900	36,900	36,900	36,900	36,900
Economic Development - Disadvantaged & Disabled. \$	63,032 \$	72,324 \$	65,906 \$	66,235 \$	66,662 \$	67,098 \$	67,543
Job Training.....	14,565	17,969	15,797	15,839	15,974	16,112	16,253
Job Training Development.....	14,297	15,246	10,891	11,016	11,143	11,273	11,405
Vocational Rehabilitation.....	34,170	39,109	39,218	39,380	39,545	39,713	39,885
Community Development..... \$	161,797 \$	155,554 \$	111,820 \$	116,038 \$	116,297 \$	88,742 \$	88,413
Community Development.....	85,596	86,696	54,414	57,414	56,414	57,414	56,414
Housing Assistance.....	10,000	0	0	0	0	0	0
Public Utility Realty Payments.....	66,201	68,858	57,406	58,624	59,883	31,328	31,999
Local Government Assistance..... \$	549 \$	708 \$	113 \$	113 \$	113 \$	113 \$	113
Municipal Pension Systems.....	549	708	113	113	113	113	113
Debt Service..... \$	165,577 \$	150,619 \$	160,804 \$	189,154 \$	216,273 \$	225,312 \$	220,326
Debt Service.....	165,577	150,619	160,804	189,154	216,273	225,312	220,326
PROGRAM TOTAL..... \$	593,748 \$	641,744 \$	585,035 \$	620,828 \$	645,187 \$	629,987 \$	625,027



Program Budget Summary

Transportation and Communication

The purpose of this program is to provide a system for the fast, efficient and safe movement of individuals, cargo, and information within the Commonwealth that is interfaced with a national and international system of transportation and communication. This Commonwealth program supports the Ridge Administration goal of Establishing and Maintaining a First-Rate Infrastructure.

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)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Transportation Systems and Services.....	\$ 1,582,428	\$ 1,669,447	\$ 1,649,165	\$ 1,608,652	\$ 1,630,140	\$ 1,672,773	\$ 1,697,898
State Highway and Bridge Construction and Reconstruct	347,131	405,200	395,800	393,500	407,600	424,200	427,100
Local Highway and Bridge Assistance.....	178,941	186,173	179,992	183,402	184,520	185,675	186,776
Mass Transportation.....	257,070	257,082	257,092	257,101	257,110	257,119	257,128
Intercity Transportation.....	9,812	10,445	10,594	10,594	10,594	10,594	10,594
State Highway and Bridge Maintenance.....	735,119	730,039	736,152	700,015	710,450	740,866	761,285
Transportation Support Services.....	54,355	80,508	69,535	64,040	59,866	54,319	55,015
Debt Service.....	\$ 178,222	\$ 174,861	\$ 174,298	\$ 166,932	\$ 158,180	\$ 147,355	\$ 149,642
Debt Service.....	178,222	174,861	174,298	166,932	158,180	147,355	149,642
PROGRAM TOTAL.....	\$ 1,760,650	\$ 1,844,308	\$ 1,823,463	\$ 1,775,584	\$ 1,788,320	\$ 1,820,128	\$ 1,847,540

Program Budget Summary

Recreation and Cultural Enrichment

The goal of this program is to make available sufficient opportunities for individual and group recreation and cultural growth. This Commonwealth Program supports the Ridge Administration goal of Strengthening Families and Communities.

In working toward this broad Commonwealth program goal, 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, Public Television Network and Council on the Arts contribute to this Commonwealth category.

Contribution by Category and Subcategory

General Fund and Special Funds

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
Recreation.....	\$ 197,496	\$ 242,357	\$ 212,525	\$ 211,751	\$ 212,916	\$ 219,336	\$ 225,950
Parks and Forests Management.....	118,187	162,420	128,810	126,402	126,900	131,620	136,500
Recreational Fishing and Boating.....	30,955	31,968	32,762	33,417	34,085	34,766	35,461
Wildlife Management.....	48,354	47,969	50,953	51,932	51,931	52,950	53,989
Cultural Enrichment.....	\$ 97,245	\$ 115,724	\$ 125,524	\$ 138,184	\$ 133,172	\$ 134,516	\$ 135,900
State Historical Preservation.....	18,238	19,873	20,838	21,209	21,613	22,026	22,445
Local Museum Assistance.....	17,903	17,646	12,490	12,053	12,200	12,785	13,394
Development of Artists and Audiences.....	10,160	11,603	12,002	12,022	12,042	12,063	12,084
State Library Services.....	41,707	54,017	63,049	77,725	77,851	78,114	78,386
Public Television Services.....	9,237	12,585	17,145	15,175	9,466	9,528	9,591
Debt Service.....	\$ 30,868	\$ 28,976	\$ 31,376	\$ 31,504	\$ 30,392	\$ 29,037	\$ 27,615
Debt Service.....	30,868	28,976	31,376	31,504	30,392	29,037	27,615
PROGRAM TOTAL.....	\$ 325,609	\$ 387,057	\$ 369,425	\$ 381,439	\$ 376,480	\$ 382,889	\$ 389,465





Governor's Executive Budget

SUMMARY

BY

FUND



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.

FINANCIAL STATEMENT

The following financial statement and accompanying notes are a summary of the General Fund revenues and expenditures for the 1997-98 actual year, 1998-99 available year and 1999-00 budget year. The financial statement excludes augmentations and Federal funds that are detailed in subsequent tables.

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 402,678	\$ 265,377	\$ 306,926
Adjustment to Beginning Balance.....	-400	0	0
Adjusted Beginning Balance	<u>\$ 402,278</u>	<u>\$ 265,377</u>	<u>\$ 306,926</u>
Revenue:			
Revenue Receipts.....	\$ 18,123,168	\$ 18,723,640	\$ 19,237,900
Less Refunds Reserve.....	-910,000	-630,000	-640,000
Less Proposed Tax Reductions.....	0	0	-257,600
Total Revenue	<u>\$ 17,213,168</u>	<u>\$ 18,093,640</u>	<u>\$ 18,340,300</u>
Prior Year Lapses.....	103,047	50,000	0
Funds Available	<u>\$ 17,718,493</u>	<u>\$ 18,409,017</u>	<u>\$ 18,647,226</u>
Expenditures:			
Appropriations.....	\$ 17,288,593	\$ 18,001,817	\$ 18,624,705
Supplemental Appropriations.....	0	96,111	0
Less Current Year Lapses.....	-58,779	-50,000	0
Total Expenditures	<u>\$ 17,229,814</u>	<u>\$ 18,047,928</u>	<u>\$ 18,624,705</u>
Closing Balance.....	\$ 488,679	\$ 361,089	\$ 22,521
Less Transfer to Tax Stabilization Reserve Fund.....	-223,302	-54,163	-3,378
Ending Balance	<u><u>\$ 265,377</u></u>	<u><u>\$ 306,926</u></u>	<u><u>\$ 19,143</u></u>

NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

PROPOSED TAX REDUCTIONS

	1999-00 Estimated
Gross Receipts Tax:	
Repeal Tax on Natural Gas	\$ -81,800
The gross receipts tax on receipts of regulated gas companies from the sale of natural and artificial gas is proposed to be repealed effective January 1, 2000.	
Capital Stock and Franchise Tax:	
Reduce Tax Rate	-85,100
The existing total 11.99 mill tax rate is proposed to be reduced by 0.75 mills to 11.24 mills effective January 1, 1999. In addition, the 0.5 mill portion of the tax dedicated to the Hazardous Sites Cleanup Fund will be cut in half to 0.25 mills making the total rate reduction equal to 1 mill.	
Reduce the Minimum Tax Payment	-16,200
A \$100 reduction to the minimum tax paid by a majority of the businesses paying the capital stock and franchise tax to \$200 is proposed to become effective January 1, 1999.	
Corporate Net Income Tax:	
Increase Net Operating Loss Recovery Cap	-35,500
The annual \$1 million cap on deductions for net operating losses may be taken in each of the ten (10) years following the loss is proposed to be increased to \$2 million effective for tax years beginning on and after January 1, 1999.	
Income Apportionment - Sales Factor	-31,500
The sales factor used in the apportionment formula to calculate Pennsylvania taxable income for the corporate net income tax is proposed to be weighted 60%, an increase from the current 50% weighting. The other factors in the formula are corporation property value and payroll. The change is proposed to be effective for tax years beginning on and after January 1, 1999.	
Personal Income Tax:	
Expand Tax Forgiveness	-7,500
The eligibility income limit for each dependent to qualify for tax forgiveness under the special tax provisions is proposed to be increased from \$6,000 to \$6,500, effective January 1, 1999. A qualifying family of four with two claimants and two dependents will owe no tax on taxable income up to \$26,000.	
TOTAL PROPOSED TAX REDUCTIONS	\$ -257,600



NOTES ON FINANCIAL STATEMENT
(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	1998-99 Estimated
Education	
General Government Operations.....	\$ 1,000
Early Intervention.....	2,508
Nonpublic Pupil Transportation.....	1,091
Homebound Instruction.....	112
Tuition for Orphans and Children Placed in Private Homes.....	486
<i>Education Total</i>	<u>\$ 5,197</u>
Public Welfare	
Mental Health Services.....	\$ 3,523
Supplemental Grants.....	2,164
Medical Assistance - Outpatient.....	111,306
Medical Assistance - Inpatient.....	56,397
Medical Assistance - Capitation.....	-66,990
Long-Term Care Facilities.....	-16,709
<i>Public Welfare Total</i>	<u>\$ 89,691</u>
Revenue	
Commissions - Inheritance and Realty Transfer Taxes (EA).....	<u>\$ 423</u>
State	
Publishing Constitutional Amendments (EA).....	<u>\$ 800</u>
 TOTAL	 <u><u>\$ 96,111</u></u>

STATE FUNDS BY DEPARTMENT

The following is a summary, by department, of 1997-98 actual expenditures, the 1998-99 amounts available and the 1999-00 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Budget
Governor's Office.....	\$ 6,818	\$ 7,211	\$ 7,418
Executive Offices.....	123,456	164,771	177,833
Lieutenant Governor's Office.....	898	1,040	1,354
Attorney General.....	58,642	62,082	67,236
Auditor General.....	41,417	42,881	43,407
Treasury.....	648,643	606,006	672,834
Aging.....	19,186	19,828	17,998
Agriculture.....	54,519	61,774	59,969
Civil Service Commission.....	-10	1	1
Community and Economic Development.....	288,389	349,235	300,806
Conservation and Natural Resources.....	83,136	90,726	96,105
Corrections.....	976,734	1,045,450	1,087,148
Education*.....	7,213,512	7,472,364	7,625,270
Emergency Management Agency.....	7,344	28,844	7,466
Environmental Protection**.....	180,404	202,098	210,344
Fish and Boat Commission.....	9	808	10
General Services.....	101,936	97,461	100,002
Health.....	200,109	210,131	216,067
Higher Education Assistance Agency.....	297,916	314,666	346,955
Historical and Museum Commission.....	26,591	26,272	26,987
Housing Finance Agency.....	10,000	0	0
Insurance.....	16,475	31,997	53,717
Labor and Industry.....	76,885	79,933	78,328
Military and Veterans Affairs.....	74,474	82,169	81,847
Probation and Parole Board.....	73,633	79,271	85,752
Public Television Network.....	9,237	12,585	17,145
Public Welfare.....	5,553,131	5,853,529	6,055,670
Revenue***.....	273,277	290,043	264,843
Securities Commission.....	2,135	2,074	2,140
State.....	3,913	5,643	4,631
State Employees Retirement System.....	15	15	15
State Police.....	128,950	138,309	140,831
Tax Equalization Board.....	1,187	1,277	1,294
Transportation.....	285,880	301,273	299,554
Legislature****.....	203,193	208,849	214,718
Judiciary.....	187,780	207,312	217,010
General Salary Increase.....	0	0	42,000
GRAND TOTAL.....	\$ 17,229,814	\$ 18,097,928	\$ 18,624,705

* Includes State System of Higher Education

** Includes Environmental Hearing Board

*** Excludes refunds.

**** Includes Ethics Commission and Health Care Cost Containment Council.

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal funds, by department, of 1997-98 actual expenditures, the 1998-99 amounts available and the 1999-00 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Budget
Executive Offices.....	\$ 58,024	\$ 107,146	\$ 117,564
Lieutenant Governor's Office.....	0	231	0
Attorney General.....	7,798	14,571	11,635
Auditor General.....	0	2	0
Aging.....	9,712	14,479	15,755
Agriculture.....	4,659	5,708	5,856
Community and Economic Development.....	202,369	255,405	242,363
Conservation and Natural Resources.....	3,667	11,193	11,568
Corrections.....	19,514	40,881	34,480
Education.....	891,574	1,046,971	1,064,321
Emergency Management Agency.....	40,314	41,937	8,199
Environmental Protection*.....	76,661	104,046	108,606
Health.....	280,886	328,742	329,661
Higher Education Assistance Agency.....	0	1,656	1,256
Historical and Museum Commission.....	2,409	2,580	1,155
Infrastructure Investment Authority.....	0	91,594	118,534
Insurance.....	2,015	41,246	118,000
Labor and Industry.....	263,652	380,992	373,865
Liquor Control Board.....	71	80	0
Military and Veterans Affairs.....	48,096	62,689	70,499
Probation and Parole Board.....	1,556	3,799	2,463
Public Utility Commission.....	949	1,005	955
Public Welfare.....	6,167,788	6,984,750	7,120,489
State Police.....	8,711	15,143	8,815
Transportation.....	13,412	27,519	32,972
GRAND TOTAL.....	\$ 8,103,837	\$ 9,584,365	\$ 9,799,011

* Includes Environmental Hearing Board

AUGMENTATIONS BY DEPARTMENT

The following is a summary of augmentations, by department, of 1997-98 actual expenditures, the 1998-99 amounts available and the 1999-00 amounts budgeted as presented in the General Fund Budget.

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Budget
Executive Offices.....	\$ 59,938	\$ 59,688	\$ 59,204
Lieutenant Governor's Office.....	162	405	85
Attorney General*.....	9,203	9,927	9,367
Auditor General.....	6,310	7,805	6,640
Treasury.....	9,115	8,020	9,600
Aging.....	3,594	4,247	8,109
Agriculture.....	2,614	2,736	2,988
Civil Service Commission.....	12,420	12,568	13,347
Community and Economic Development*.....	7,113	6,294	8,854
Conservation and Natural Resources.....	34,624	39,682	39,519
Corrections.....	1,041	1,639	1,635
Education.....	8,167	8,502	7,859
Emergency Management Agency.....	217	97	97
Environmental Protection**.....	17,545	19,070	19,302
General Services.....	5,142	6,042	7,294
Health.....	4,918	5,732	5,102
Historical and Museum Commission.....	622	952	960
Insurance.....	1,895	2,515	2,423
Labor and Industry.....	22,624	43,949	42,476
Military and Veterans Affairs.....	16,300	17,426	18,488
Probation and Parole Board.....	8,799	9,123	8,358
Public Television Network.....	12	10	10
Public Utility Commission*.....	39,282	40,772	42,046
Public Welfare*.....	798,022	841,631	701,456
Revenue.....	20,221	17,961	17,139
Securities Commission.....	3,008	3,331	3,627
State*.....	22,739	23,751	27,030
State Police*.....	26,590	31,965	46,050
Transportation*.....	75,917	83,477	79,828
Judiciary*.....	11,039	13,943	17,318
GRAND TOTAL.....	\$ 1,229,193	\$ 1,323,260	\$ 1,206,211

* Includes funds appropriated from restricted revenues.

** Includes Environmental Hearing Board



General Fund Revenue Summary

Seven Year Summary of Revenues

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

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income Tax.....	\$ 1,703,241	\$ 1,719,500	\$ 1,656,500	\$ 1,684,300	\$ 1,718,000	\$ 1,751,700	\$ 1,780,400
Capital Stock and Franchise Taxes..	1,030,450	976,600	1,008,500	1,053,100	1,082,700	1,112,700	1,145,600
Selective Business:							
Gross Receipts Tax.....	729,378	596,100	780,900	777,600	818,800	788,300	821,700
Public Utility Realty Tax.....	102,342	148,300	154,300	197,100	189,500	94,300	97,300
Insurance Premiums Tax.....	217,701	231,400	236,700	254,400	279,300	288,600	298,600
Financial Institutions Tax.....	202,393	208,300	218,800	229,900	240,800	251,800	262,300
Other Selective Business Taxes....	12,848	12,500	12,500	12,500	12,500	12,500	12,500
Total — Corporation Taxes.....	\$ 3,998,353	\$ 3,892,700	\$ 4,068,200	\$ 4,208,900	\$ 4,341,600	\$ 4,299,900	\$ 4,418,400
Consumption Taxes							
Sales and Use Tax.....	\$ 6,152,191	\$ 6,490,500	\$ 6,632,000	\$ 6,899,500	\$ 7,150,600	\$ 7,379,200	\$ 7,659,100
Cigarette Tax.....	278,994	272,500	257,100	252,500	248,800	245,500	243,000
Malt Beverage Tax.....	25,276	26,000	26,000	26,000	26,000	26,000	26,000
Liquor Tax.....	136,115	141,900	147,900	154,100	160,600	167,400	174,500
Total — Consumption Taxes.....	\$ 6,592,576	\$ 6,930,900	\$ 7,063,000	\$ 7,332,100	\$ 7,586,000	\$ 7,818,100	\$ 8,102,600
Other Taxes							
Personal Income Tax.....	\$ 6,236,383	\$ 6,513,000	\$ 6,701,800	\$ 7,033,800	\$ 7,318,500	\$ 7,589,200	\$ 7,842,500
Realty Transfer Tax.....	241,458	260,600	246,500	253,300	278,100	303,900	326,100
Inheritance Tax.....	710,904	778,400	829,000	866,300	905,300	946,000	988,600
Minor and Repealed Taxes.....	-4,921	1,000	5,400	10,900	14,400	14,900	15,500
Total — Other Taxes.....	\$ 7,183,824	\$ 7,553,000	\$ 7,782,700	\$ 8,164,300	\$ 8,516,300	\$ 8,854,000	\$ 9,172,700
TOTAL TAX REVENUE.....	\$ 17,774,753	\$ 18,376,600	\$ 18,913,900	\$ 19,705,300	\$ 20,443,900	\$ 20,972,000	\$ 21,693,700
NONTAX REVENUE							
State Stores Fund Transfer.....	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees.....	76,994	75,600	77,800	77,800	77,800	77,800	77,800
Miscellaneous.....	193,064	197,840	172,600	172,600	172,600	172,600	172,600
Fines, Penalties and Interest:							
On Taxes.....	26,095	22,700	22,700	22,700	22,700	22,700	22,700
Other.....	2,262	900	900	900	900	900	900
TOTAL NONTAX REVENUES.....	\$ 348,415	\$ 347,040	$ 324,000	$ 324,000	$ 324,000	$ 324,000	\$ 324,000
GENERAL FUND TOTAL.....	\$ 18,123,168	\$ 18,723,640	\$ 19,237,900	\$ 20,029,300	\$ 20,767,900	\$ 21,296,000	\$ 22,017,700



General Fund Revenues

Adjustments to Revenue Estimate

On January 15, 1999, the Official Estimate for 1998-99 was re-certified to be \$18,453,640,000. The adjustments detailed below take into account actual revenue collections through the first six months of the fiscal year and projected collections for the remainder of the fiscal year based on current expectations for the economy and revenue trends.

	(Dollar Amounts in Thousands)		
	1998-99 Official Estimate	Adjustments	1998-99 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income Tax.....	\$ 1,793,300	\$ -73,800	\$ 1,719,500
Capital Stock and Franchise Taxes.....	955,830	20,770	976,600
Selective Business:			
Gross Receipts Tax.....	699,500	-103,400	596,100
Public Utility Realty Tax.....	153,900	-5,600	148,300
Insurance Premiums Tax.....	192,270	39,130	231,400
Financial Institutions Tax.....	204,580	3,720	208,300
Other Selective Business Taxes.....	12,500	0	12,500
Total — Corporation Taxes.....	\$ 4,011,880	\$ -119,180	\$ 3,892,700
Consumption Taxes			
Sales and Use Tax.....	\$ 6,274,470	\$ 216,030	\$ 6,490,500
Cigarette Tax.....	283,100	-10,600	272,500
Malt Beverage Tax.....	26,000	0	26,000
Liquor Tax.....	141,900	0	141,900
Total — Consumption Taxes.....	\$ 6,725,470	\$ 205,430	\$ 6,930,900
Other Taxes			
Personal Income Tax.....	\$ 6,384,100	\$ 128,900	\$ 6,513,000
Realty Transfer Tax.....	230,650	29,950	260,600
Inheritance Tax.....	778,400	0	778,400
Minor and Repealed Taxes.....	-8,200	9,200	1,000
Total — Other Taxes.....	\$ 7,384,950	\$ 168,050	\$ 7,553,000
TOTAL TAX REVENUE.....	\$ 18,122,300	\$ 254,300	\$ 18,376,600
NONTAX REVENUE			
State Stores Fund Transfer.....	\$ 50,000	\$ 0	\$ 50,000
Licenses Fees and Miscellaneous:			
Licenses and Fees.....	72,640	2,960	75,600
Miscellaneous.....	185,100	12,740	197,840
Fines, Penalties and Interest:			
On Taxes.....	22,700	0	22,700
Other.....	900	0	900
TOTAL NONTAX REVENUES.....	\$ 331,340	\$ 15,700	\$ 347,040
GENERAL FUND TOTAL.....	\$ 18,453,640	\$ 270,000	\$ 18,723,640



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 three factor apportionment formula, where the sales factor is multiplied by two, and the denominator is four.

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%

Proposed Changes: 1) The maximum amount of net operating loss deductions that may be applied to taxable income in any tax year is proposed to be increased from \$1 million to \$2 million. 2) The sales factor used in the apportionment formula to calculate taxable income is proposed to be weighted 60 percent, an increase from the current 50 percent weight. The proposed changes are to be effective with tax years beginning on and after January 1, 1999.

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

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 \$125,000 of capital stock value is exempt and a minimum tax payment of \$300 is required.

Tax Rates:	January 1, 1998 to current	11 mills plus a 0.99 mill surtax (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund).
	January 1, 1992 to December 31, 1997	11 mills plus a 1.75 mill surtax (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund).
	January 1, 1991 to December 31, 1991	11 mills plus a 2 mill surtax (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund and 0.25 mill for transfer semiannually to the State Lottery Fund).
	January 1, 1988 to December 31, 1990	9.5 mills (including 0.5 mill for transfer semiannually to the Hazardous Sites Cleanup Fund).
	January 1, 1987 to December 31, 1987	9 mills.
	Prior to January 1, 1987	10 mills.

Proposed Changes: 1) A 0.75 mill reduction to the current General Fund tax rate of 11.49 mills and a 0.25 mill reduction to the portion of the surtax transferred to the Hazardous Sites Cleanup fund is proposed. 2) The current \$300 minimum tax is proposed to be reduced to \$200. Both reductions are proposed to be effective for tax years beginning on and after January 1, 1999.

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

General Fund Revenue Sources

Gross Receipts Tax

Tax Base: This tax is levied on the gross receipts from business transacted wholly within Pennsylvania by specified companies owned, operated or leased by corporations, associations or individuals. The tax on motor transportation companies was repealed effective January 1, 1998. Beginning with fiscal year 1993-94, 0.25 mills is transferred to the Alternative Fuels Incentive Grant Fund. The revenues shown for the General Fund are net of this transfer.

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 calculation).
January 1, 1988 to June 30, 1991.....	44 mills.
Prior to January 1, 1988.....	45 mills.

Proposed Change: Gross receipts of regulated gas companies from the sale of natural and artificial gas are proposed to be exempted from the tax effective January 1, 2000.

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 cost of utility realty, less reserves for depreciation or depletion as shown by the books of account of the utility.

Tax Rate: 30 mills on each dollar of State taxable value. An additional levy may be due upon determination by the Department of Revenue that the required distribution of the tax to municipalities exceeds the tax receipts. Revenue from an additional 12 mills is deposited in the Public Transportation Assistance Fund.

Reference: Purdon's Title 72 P.S. §8101-A—§8108-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 all gross premiums of surplus lines written with an unlicensed insurer.

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

Financial Institutions Taxes

Tax Base: This category includes taxes levied on the taxable amount of the capital stock of banks, trust and title insurance companies, and on the taxable net income of mutual thrift institutions.

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

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



Other Selective Business Taxes

Tax Base: Other selective business taxes include: Loans Tax Domestic and Foreign, Act of June 22, 1935, P.L. 414 as amended; Electric Cooperative Corporation Tax, Act of June 21, 1937, P.L. 1969; and Agricultural Cooperative Associations Corporate Tax, Act of May 23 1945, P.L. 893.

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

Reference: Purdon's Title 72 P.S. §3250—§3250-14. Loans Tax—Domestic and Foreign
Purdon's Title 72 P.S. §3420-21—§3420-28. Agricultural Cooperative Associations

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. The portion of the tax applicable to periodicals is transferred to the Public Transportation Assistance Fund. An additional transfer is made from this tax to the Public Transportation Assistance Fund representing the revenue forgone from the exclusion of certain trucks from the lease tax. Beginning in fiscal year 1997-98, 1.22 percent of receipts, up to \$75 million, is transferred annually to the General Fund Supplemental Public Transit Account. The revenues shown for the General Fund are net of these transfers.

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

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

Cigarette Tax

Tax Base: The tax is imposed and assessed on the sale or possession of cigarettes within Pennsylvania. Only one sale of the cigarette is taxable.

Tax Rates: The rate is 1.55 cents per cigarette. Prior to August 19, 1991 the rate was 0.9 cents per cigarette. Beginning in fiscal year 1992-93, two thirty-firsts of receipts are transferred semiannually to the Children's Health Insurance Program (CHIP). After January 1, 1997, the transfer amount was increased to three thirty-firsts of receipts. Beginning in fiscal year 1993-94, two thirty-firsts of receipts are transferred semiannually to the Agricultural Conservation Easement Purchase Fund. The revenues shown for the General Fund are net of these transfers.

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

Malt Beverage Tax

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

Tax Rates: The tax rate is two-thirds of a cent ($2/3\phi$) per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1ϕ) per pint of 16 fluid ounces or fraction thereof.

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

General Fund Revenue Sources

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.

Reference: Purdon's Title 72 P.S. §794—§796.

Personal Income Tax

Tax Base: The tax is paid by all residents, resident trust 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; and income from the rental, ownership or disposition of any real or personal property. 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.

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

1993 to current	2.80%
1992	2.95%
1991	2.60%
1987 to 1990	2.10%
1986	2.16%
1985	2.35%

Proposed Change: The eligibility income limit for each qualifying dependent of a claimant for tax forgiveness under the special tax provisions for poverty is proposed to be increased. The exemption for each claimant's dependent is proposed to rise by \$500 to \$6,500. The increased exemption is proposed to be effective January 1, 1999.

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

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 and thereafter, fifteen (15) percent of the revenues are transferred to the Keystone Recreation, Park and Conservation Fund. 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—§8111-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 on certain transfers made during the decedent's lifetime. The value of the transfer is established on the date of the decedent's death. The Estate Tax is based on the amount of the Federal estate tax credit for State death taxes on estates situated in Pennsylvania.

Tax Rates: Generally, lineal beneficiaries are taxed at the rate of 6 percent and collateral beneficiaries are taxed at 15 percent. The Estate Tax is equal to the amount of Federal estate tax credit for State death taxes, less the Inheritance Tax paid. Transfers to a spouse of non-jointly held property are tax exempt for decedents dying on or after January 1, 1995.

Reference: Purdon's Title 72 Pa.C.S.A. §1701—§1796.

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 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), and excess Vehicle Rental Tax, Act of June 16, 1994, P.L. 279 (Purdon's Title 72 P.S. §8601).

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 includes 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 1987-64 (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 penalties and interest collected in the enforcement of corporation taxes.

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

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Estimated	1999-00 Budget
TAX REVENUE			
Corporate Net Income Tax.....	\$ 1,703,241	\$ 1,719,500	\$ 1,656,500
Capital Stock and Franchise Taxes			
Capital Stock Taxes — Domestic.....	\$ 546,617	\$ 518,051	\$ 534,973
Franchise Taxes — Foreign.....	483,833	458,549	473,527
SUBTOTAL	\$ 1,030,450	\$ 976,600	\$ 1,008,500
Gross Receipts Tax			
Electric, Hydroelectric and Water Power.....	\$ 460,784	\$ 376,586	\$ 493,333
Gas.....	102,408	83,695	109,642
Motor Transportation.....	2,849	2,328	3,050
Telephone and Telegraph.....	161,835	132,263	173,267
Transportation.....	1,502	1,228	1,608
SUBTOTAL	\$ 729,378	\$ 596,100	\$ 780,900
Public Utility Realty Tax.....	\$ 102,342	\$ 148,300	\$ 154,300
Insurance Premiums Tax			
Domestic Casualty.....	\$ 50,444	\$ 53,618	\$ 54,846
Domestic Fire.....	19,360	20,578	21,050
Domestic Life and Previously Exempted Lines.....	20,921	22,237	22,747
Excess Insurance Brokers.....	6,109	6,493	6,642
Foreign Excess Casualty.....	6,740	7,164	7,328
Foreign Excess Fire.....	3,267	3,473	3,552
Foreign Life.....	106,236	112,922	115,508
Marine.....	198	210	215
Title Insurance.....	1,745	1,855	1,897
Unauthorized Insurance.....	2,681	2,850	2,915
SUBTOTAL	\$ 217,701	\$ 231,400	\$ 236,700
Financial Institutions Taxes			
Federal Mutual Thrift Institutions.....	\$ 1,224	\$ 1,182	\$ 1,230
National Banks.....	143,434	148,799	156,487
State Banks.....	18,643	19,340	20,340
State Mutual Thrift Institutions.....	22,068	21,318	22,170
Trust Companies.....	17,024	17,661	18,573
SUBTOTAL	\$ 202,393	\$ 208,300	\$ 218,800
Other Selective Business Taxes			
Corporate Loans — Domestic.....	\$ 8,868	\$ 8,462	\$ 8,462
Corporate Loans — Foreign.....	3,936	3,756	3,756
Miscellaneous Business Taxes.....	296	282	282
Corporation Taxes — Clearing Accounts Undistributed.....	-252	0	0
SUBTOTAL	\$ 12,848	\$ 12,500	\$ 12,500
Sales and Use Tax			
Motor Vehicle.....	\$ 891,671	\$ 875,300	\$ 882,100
Non-Motor Vehicle.....	5,260,520	5,615,200	5,749,900
SUBTOTAL	\$ 6,152,191	\$ 6,490,500	\$ 6,632,000
Cigarette Tax.....	\$ 278,994	\$ 272,500	\$ 257,100
Malt Beverage Tax.....	\$ 25,276	\$ 26,000	\$ 26,000
Liquor Tax.....	\$ 136,115	\$ 141,900	\$ 147,900

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Estimated	1999-00 Budget
Personal Income Tax			
Withholding.....	\$ 4,735,065	\$ 4,928,200	\$ 5,110,500
Non-Withholding.....	1,501,318	1,584,800	1,591,300
SUBTOTAL	\$ 6,236,383	\$ 6,513,000	\$ 6,701,800
Realty Transfer Tax	\$ 241,458	\$ 260,600	\$ 246,500
Inheritance Tax			
Nonresident Inheritance and Estate Tax.....	\$ 3,292	\$ 3,605	\$ 3,839
Resident Inheritance and Estate Tax.....	707,612	774,795	825,161
SUBTOTAL	\$ 710,904	\$ 778,400	\$ 829,000
Minor and Repealed Taxes			
Spirituous and Vinous Liquors Tax.....	\$ 36	\$ 37	\$ 37
Excess Vehicle Rental Tax.....	-5,167	12,000	12,400
Job Creation Tax Credit.....	-11,080	-12,000	-8,000
Tax on Writs, Wills and Deeds.....	1,292	1,301	1,301
Unallocated EFT. Payments.....	-336	-338	-338
SUBTOTAL	\$ -4,921	\$ 1,000	\$ 5,400
TOTAL TAX REVENUE	\$ 17,774,753	\$ 18,376,600	\$ 18,913,900
NONTAX REVENUES			
State Stores Fund Transfer.....	\$ 50,000	\$ 50,000	\$ 50,000
Licenses, Fees and Miscellaneous			
Executive Offices			
MISCELLANEOUS REVENUE			
Crime Victims Award Restitution.....	\$ 26	\$ 165	\$ 165
Interest from Federal Government — CMIA - 90.....	195	0	0
Interest Transferred to Employee Benefits.....	-7,639	-6,935	-6,935
Miscellaneous.....	11	0	0
Refunds Of Expenditures Not Credited To Appropriations.....	54	0	0
SUBTOTAL	\$ -7,353	\$ -6,770	\$ -6,770
Lieutenant Governor's Office			
LICENSES AND FEES			
Board Of Pardons Fees.....	\$ 4	\$ 4	\$ 4
Board Of Pardons — Filing Fees.....	5	5	5
SUBTOTAL	\$ 9	\$ 9	\$ 9
Auditor General			
LICENSES AND FEES			
Filing Fees — Board of Arbitration of Claims.....	\$ 12	\$ 12	\$ 12
Attorney General			
MISCELLANEOUS REVENUE			
Assessed Civil Penalties Payments.....	\$ 140	\$ 150	\$ 153
Miscellaneous Interest Offset for Appropriation 611.....	-119	-75	-77
Miscellaneous.....	6	25	26
Refunds Of Expenditures Not Credited To Appropriations.....	4	5	5
SUBTOTAL	\$ 31	\$ 105	\$ 107

* Less than \$500.



General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Estimated	1999-00 Budget
Treasury Department			
MISCELLANEOUS REVENUE			
Allocation Of Treasury Costs.....	\$ 2,443	\$ 3,450	\$ 3,000
Clearing Account — PA EFTS.....	-97	-5	0
Depository Adjustments.....	12	0	1
Interest Transferred to Asbestos/Lead Account.....	-228	0	0
Interest Transferred to Hodge Trust Fund.....	-9	-10	-10
Interest on Average Collected Balance - WIC Program.....	61	60	57
Interest On Deposits.....	416	380	362
Interest On Securities — Liquor License Fund.....	100	95	92
Interest On Securities.....	94,831	98,000	82,000
Interest Transferred — Lawrence County Audit.....	-2	-5	-2
Miscellaneous.....	959	100	100
Premium And Discount On Tax Notes Sold.....	1,089	2,600	1,000
Redeposit Of Checks.....	2,005	250	500
Refunds Of Expenditures Not Credited To Appropriations.....	*	0	3
Unclaimed Property — Administration Cost Reimbursements.....	-5,951	-6,256	-6,300
Unclaimed Property — Claim Payments.....	-14,885	-19,561	-23,826
Unclaimed Property — Financial Institution Deposits.....	22,652	13,413	14,295
Unclaimed Property — Other Holder Deposits.....	29,399	42,476	45,269
SUBTOTAL.....	\$ 132,795	\$ 134,987	\$ 116,541
Department of Agriculture			
LICENSES AND FEES			
Abattoir Licenses.....	\$ *	\$ 5	\$ 6
Approved Inspectors Certificate And Registration Fees.....	4	4	4
Domestic Animal Dealers' Licenses.....	27	31	30
Eating & Drinking Licenses.....	1,121	1,185	1,185
Egg Certification Fees.....	15	16	16
Egg Opening Licenses.....	1	*	*
Farm Products Inspection Fees.....	57	32	32
Garbage Feeders Licenses.....	1	1	1
Horse Slaughtering Licenses.....	0	0	0
Ice Cream Licenses.....	157	162	162
Livestock Branding Fees.....	*	*	*
Maple Syrup Program.....	1	1	1
Miscellaneous Licenses And Fees.....	14	15	15
Poultry Technician Licenses.....	1	1	1
Public Weighmasters' Liquid Fuel License — State Share.....	197	90	62
Registration Fee — Food Establishment.....	221	233	233
Rendering Plant Licenses.....	2	2	2
Seed Testing And Certification Fees.....	59	58	58
Veterinarian Diagnostic Laboratory Fees.....	264	260	260
MISCELLANEOUS REVENUE			
Miscellaneous.....	3	0	0
Telephone Commissions.....	*	5	0
Refunds Of Expenditures Not Credited To Appropriations.....	34	0	0
SUBTOTAL.....	\$ 2,179	\$ 2,101	\$ 2,068
Civil Service Commission			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ *	\$ *
Refunds Of Expenditures Not Credited To Appropriations.....	*	0	0
SUBTOTAL.....	\$ 0	\$ 0	\$ 0

* Less than \$500.



General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Estimated	1999-00 Budget
Department of Conservation and Natural Resources			
MISCELLANEOUS REVENUE			
Camp Leases.....	\$ 611	\$ 615	\$ 615
Ground Rents.....	13	13	13
Housing Rents.....	25	25	25
Minerals Sales.....	3	3	3
Miscellaneous.....	123	125	125
Refunds Of Expenditures Not Credited To Appropriations.....	4	5	5
Rights-Of-Way.....	359	360	360
Sales Tax - Allegheny County.....	0	8	8
Sales Tax Escrow Account.....	7	6	6
Telephone Commissions.....	5	0	0
Water Leases.....	15	16	16
SUBTOTAL.....	\$ 1,165	\$ 1,176	\$ 1,176
Department of Corrections			
MISCELLANEOUS REVENUE			
Antitrust Case Payments.....	\$ *	\$ 0	\$ 0
Miscellaneous.....	8	0	25
Refunds Of Expenditures Not Credited To Appropriations.....	242	250	250
Restitution Payments.....	29	0	15
Telephone Commissions.....	4,890	3,000	6,000
SUBTOTAL.....	\$ 5,169	\$ 3,250	\$ 6,290
Department of Community and Economic Development			
LICENSES AND FEES			
Municipal Indebtedness Fees.....	\$ 279	\$ 270	\$ 280
MISCELLANEOUS REVENUE			
Infrastructure Developer/Bid Appropriation 174 Loan Repayments.....	266	266	270
Interest From Grantees.....	88	88	85
Housing and Redevelopment Appropriation 183 Loan Repayments.....	442	442	440
Miscellaneous.....	802	803	795
Nursing Home Loans — Repayments.....	45	45	30
Refunds of Expenditures Not Credited to Appropriations.....	740	740	750
Repayable Grant Payments.....	1,615	1,616	1,600
SUBTOTAL.....	\$ 4,277	\$ 4,270	\$ 4,250
Department of Education			
LICENSES AND FEES			
Fees For GED Transcripts.....	\$ 12	\$ 30	\$ 30
Fees For Licensing Private Schools.....	189	201	203
PDE Fees Transcripts — Closed Private Schools.....	*	*	*
Private Academic School Teacher Certification Fees.....	10	12	13
Fees For Licensing Private Driver Training Schools.....	63	70	70
Secondary Education Evaluation Fees.....	27	63	63
Teacher Certification Fees.....	426	600	625
MISCELLANEOUS REVENUE			
Miscellaneous.....	-2	0	0
Refunds of Expenditures Not Credited to Appropriations.....	7	0	0
SUBTOTAL.....	\$ 732	\$ 976	\$ 1,004
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 3	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	*	0	0
SUBTOTAL.....	\$ 3	\$ 0	\$ 0

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	Actual	Estimated	Budget
Department of Environmental Protection			
LICENSES AND FEES			
Anthracite Miners' Examination and Certification Fees.....	\$ *	\$ 0	\$ 0
Bituminous Miners' Examination and Certification Fees.....	1	1	1
Bituminous Shot Firers' And Machine Runners Examination and Certification Fees.....	*	*	*
Blasters' Examination and Licensing Fees.....	43	43	43
Dams And Encroachment Fees.....	156	156	156
Examination and Certification Fees.....	8	8	8
Explosives Storage Permit Fees.....	74	74	74
Hazardous Waste Facility Annual Permit Administration Fees.....	75	75	75
Hazardous Waste Facility Permit Application Fees.....	33	33	33
Hazardous Waste Transporter License and Fees.....	54	54	54
Hazardous Waste Storage-Disposal Fac-Fee.....	69	69	69
Infectious and Chemical Waste Transport Fees.....	21	22	22
Miscellaneous Licenses and Fees.....	*	0	0
Municipal Waste Annual Permit Administration Fees.....	230	230	230
Municipal Waste Permit Application Fees.....	200	200	200
Residual Waste Permit Administration Fees.....	162	162	162
Residual Waste Permit Application/Modification Fees.....	155	155	155
Resturant Licenses.....	*	0	0
Sewage Permit Fees.....	381	381	381
Submerged Land Fees.....	54	54	54
Water Bacteriological Examination Fees.....	27	27	27
Water Power and Supply Permit Fees.....	84	84	84
MISCELLANEOUS REVENUE			
Ground Rentals.....	19	19	19
Interest Income - Water Facilities.....	0	100	100
Interest on Loan Payments.....	2,337	1,400	1,200
Interest Payments — Mine Subsidence.....	7	7	7
Miscellaneous.....	565	565	565
Payment To Occupy Submerged Lands.....	199	199	199
Penalty Charges — Delinquent Interest.....	1	10	10
Refunds of Expenditures Not Credited to Appropriations.....	25	25	25
Repayment Of Loans — Water Facilities.....	1,354	1,500	1,700
Rights-of-Way.....	14	14	14
Royalties for Recovery Of Materials — Schuylkill River.....	87	87	87
Sales Tax Escrow Account.....	1	1	1
Sales Tax — Allegheny County.....	*	*	*
Sewage Treatment And Waterworks Application Fees.....	76	76	76
Surface Subsidence Assistance Loans — Repayments.....	34	34	34
SUBTOTAL.....	\$ 6,546	\$ 5,865	\$ 5,865
Department of General Services			
MISCELLANEOUS REVENUE			
Allocation Of Purchasing Costs Job 7.....	\$ 2,252	\$ 1,739	\$ 1,739
Allocation Of Purchasing Costs Job 19.....	1,002	1,002	1,002
Miscellaneous.....	566	566	566
Real Estate Services.....	267	267	267
Refunds of Expenditures Not Credited to Appropriations.....	56	0	0
Rental Of State Property.....	130	125	125
Sale Of Publications.....	53	53	53
Sale Of State Property.....	7,512	10,260	847
Sale Of Unserviceable Property.....	950	600	600
SUBTOTAL.....	\$ 12,788	\$ 14,612	\$ 5,199

* Less than \$500.



General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	Actual	Estimated	Budget
Department of Health			
LICENSES AND FEES			
Bathing Place Program — Application Fees.....	\$ 2	\$ 2	\$ 3
Immunization Service Fees.....	60	48	48
Life Safety Code Inspection Fees.....	319	330	335
Miscellaneous Licensure Fees.....	120	120	120
Nursing Home Licenses.....	357	362	367
Profit Making Hospital Licenses.....	191	195	200
Organized Camps Program Fees.....	7	7	7
Registration Fees — Hearing Aid Act.....	60	120	120
Registration Fees — Drugs Devices and Cosmetics Act.....	352	354	356
Vital Statistics Fees.....	2,765	2,835	2,978
Wholesale Prescription Drug Distribution Licenses.....	39	40	42
MISCELLANEOUS REVENUE			
Interest Transferred to Share Loan Program.....	-6	-4	-4
Miscellaneous.....	77	86	100
Refunds of Expenditures Not Credited to Appropriations.....	13	6	6
SUBTOTAL.....	\$ 4,356	\$ 4,501	\$ 4,678
Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ *	\$ 0	\$ 0
Refunds of Expenditures Not Credited to Appropriations.....	17	0	0
SUBTOTAL.....	\$ 17	\$ 0	\$ 0
Insurance Department			
LICENSES AND FEES			
Agents' and Brokers' Certification Fees.....	\$ 512	\$ 435	\$ 445
Agents' Licenses.....	9,842	10,000	10,000
Brokers' Licenses.....	102	100	100
Division of Companies Certification — Certificates and Filing Fees.....	753	775	775
Examination Fees and Expenses.....	2,408	2,450	2,500
Market Conduct Examination Fees.....	207	200	225
Miscellaneous Fees.....	3	7	15
Miscellaneous Licenses.....	62	62	62
New Applicants.....	882	670	730
Physical Damage Appraiser License.....	135	80	80
Renewals.....	1,676	1,800	1,800
Valuation of Policies Fees.....	3,134	3,100	3,100
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	550	300	300
SUBTOTAL.....	\$ 20,266	\$ 19,979	\$ 20,132
Labor and Industry			
LICENSES AND FEES			
Approval of Building Plan Fees.....	\$ 5,248	\$ 4,700	\$ 4,700
Approval of Elevator Plan Fees.....	420	300	300
Bedding And Upholstery Fees.....	573	525	525
Boiler Inspection Fees.....	3,013	2,500	2,500
Elevator Inspection Fees.....	1,787	1,900	1,900
Employment Agency Licenses.....	40	34	34
Employment Agents' Registration Fees.....	5	6	6
Flammable Liquids Storage Fees.....	20	80	80
Industrial Homework Permit Fees.....	0	*	*
Liquefied Petroleum Gas Registration Fees.....	186	200	200
Projectionists' Examination And License Fees.....	9	7	7
Stuffed Toys Manufacturers' Registration Fees.....	59	50	50

* Less than \$500.

General Fund Revenue Detail

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimated	1999-00 Budget
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Labor and Industry (continued)

MISCELLANEOUS REVENUE

CETA Audit Settlement.....	6	0	0
Miscellaneous.....	16	3	3
Refunds of Expenditures Not Credited to Appropriations.....	23	0	0
SUBTOTAL.....	\$ 11,405	\$ 10,305	\$ 10,305

Department of Military and Veterans Affairs

MISCELLANEOUS REVENUE

Miscellaneous.....	\$ *	\$ 1	\$ 1
Refunds of Expenditures Not Credited to Appropriations.....	47	90	90
Telephone Commissions.....	3	3	3
SUBTOTAL.....	\$ 50	\$ 94	\$ 94

Board of Probation and Parole

MISCELLANEOUS REVENUE

Refunds of Expenditures Not Credited to Appropriations.....	\$ 21	\$ 0	\$ 0
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Public Television Network

MISCELLANEOUS REVENUE

Miscellaneous.....	\$ 0	\$ 10	\$ 10
Refunds of Expenditures Not Credited to Appropriations.....	1	0	0
SUBTOTAL.....	\$ 1	\$ 10	\$ 10

Public Utility Commission

MISCELLANEOUS REVENUE

Refunds of Expenditures Not Credited to Appropriations.....	\$ 1	*	*
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Department of Public Welfare

LICENSES AND FEES

Private Mental Hospital Licenses.....	\$ 52	\$ 50	\$ 50
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MISCELLANEOUS REVENUE

Miscellaneous.....	349	30	30
Refunds of Expenditures Not Credited to Appropriations.....	64	130	130
Telephone Commissions.....	50	50	50
SUBTOTAL.....	\$ 515	\$ 260	\$ 260

Department of Revenue

LICENSES AND FEES

Certification And Copy Fees.....	\$ 34	\$ 35	\$ 36
Cigarette Permit Fees.....	682	700	720
Domestic Violence and Rape Crisis Program Fee.....	2,003	2,140	2,140
Uniform Commercial Fee Act 1992-67.....	8,578	8,557	9,027

MISCELLANEOUS REVENUE

Distribution Due Absentee.....	84	-175	-175
District Justice Costs.....	7,631	11,390	11,500
Exempt Collections Per Act 1992-67.....	11,591	11,586	11,870
Income Tax Check-Offs — Olympics.....	64	70	70
Miscellaneous.....	10	15	15
Refunds of Expenditures Not Credited to Appropriations.....	11	10	10
Voluntary Donations.....	*	0	0
SUBTOTAL.....	\$ 30,688	\$ 34,328	\$ 35,213

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	Actual	Estimated	Budget
Securities Commission			
LICENSES AND FEES			
Associated Persons — Initial.....	\$ 25	\$ 27	\$ 29
Associated Persons — Renewal.....	87	105	96
Associated Persons — Transfer.....	1	3	3
Brokers, Dealers Registration Fees — Initial.....	81	90	92
Brokers, Dealers Registration Fees — Renewal.....	573	638	631
Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs.....	*	*	0
Investment Advisors Filing Fees — Initial.....	17	28	20
Investment Advisors Filing Fees — Renewal.....	88	170	100
Investment Advisors — Notice Filings Initial.....	13	7	16
Investment Advisors — Notice Filings Renewal.....	111	46	122
Mutual Funds — Increase in Amount of Filing.....	335	350	300
Mutual Funds — Initial Filing.....	935	600	900
Mutual Funds — Oversales of Offering.....	0	5	5
Mutual Funds — Renewal Filing.....	4,435	4,400	4,400
Mutual Funds — Unregistered Sales.....	0	1	1
Section 202G Securities Exemption Fees.....	12	0	0
Section 203 (D) — Increase in Amount of Filing.....	1	3	1
Section 203 (D) — Initial Filing.....	444	480	480
Section 203 (I) (O) (II) — Initial Filing.....	7	7	7
Section 203(N) — Initial Filing.....	3	0	0
Section 203(P) — Initial Filing.....	0	*	*
Section 205 — Security Registration and Amendment Fees.....	114	130	120
Section 206 — Increase in Amount of Filing.....	2	2	2
Section 206 — Qualification Filing — Initial.....	95	80	95
Securities Agents Filing Fees — Initial.....	1,937	1,905	2,155
Securities Agents Filing Fees — Renewal.....	5,233	5,228	5,750
Securities Agents Filing Fees — Transfer.....	377	328	300
Takeover Disclosure Filing Fees.....	*	5	5
SUBTOTAL.....	\$ 14,926	\$ 14,638	\$ 15,630
Department of State			
LICENSES AND FEES			
Charities Bureau Registration Fees.....	\$ 192	\$ 981	\$ 1,078
Commission and Filing Fees — Bureau Of Elections.....	479	345	325
Commission and Filing Fees — Corporation Bureau.....	8,643	7,589	7,741
Commission Fees.....	72	60	62
Notary Public Commission Fees.....	989	920	1,080
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations.....	33	0	0
SUBTOTAL.....	\$ 10,408	\$ 9,895	\$ 10,286
State Police			
MISCELLANEOUS REVENUE			
Miscellaneous.....	\$ 285	\$ 285	\$ 290
Reimbursement For Lost Property.....	2	3	5
Refunds of Expenditures Not Credited to Appropriations.....	181	182	185
Telephone Commissions.....	*	0	0
SUBTOTAL.....	\$ 468	\$ 470	\$ 480
Department of Transportation			
MISCELLANEOUS REVENUE			
Interest — Railroad Rehabilitation.....	\$ -11	\$ 0	\$ 0

* Less than \$500.

General Fund Revenue Detail

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Estimated	1999-00 Budget
Other			
MISCELLANEOUS REVENUE			
Conscience Money.....	\$ 1	\$ 0	\$ 0
Payments in Lieu of Taxes — SWIF.....	2,118	1,585	1,305
Transfers From Special Funds.....	11,475	11,982	11,456
Transfer from Pennsylvania Economic Revitalization Fund.....	5,000	4,800	4,800
SUBTOTAL.....	\$ 18,594	\$ 18,367	\$ 17,561
Total Licenses, Fees and Miscellaneous.....	\$ 270,058	\$ 273,440	\$ 250,400
Fines, Penalties and Interest on Taxes			
Corporation Net Income Tax.....	\$ 10,341	\$ 8,995	\$ 8,995
Interest on Excise Taxes — Corporations (Department of Revenue).....	14,162	12,320	12,320
Penalties on Excise Taxes — Corporations.....	1,592	1,385	1,385
SUBTOTAL.....	\$ 26,095	\$ 22,700	\$ 22,700
Other Fines and Penalties			
Department of Agriculture			
Amusement Rides and Attractions — Fines.....	\$ 1	\$ 2	\$ 0
Egg Fines.....	0	1	1
General Food Fines.....	6	4	4
Harness Racing Fines and Penalties.....	29	35	35
Horse Racing Fines and Penalties.....	31	39	39
Marking Law Fines.....	0	*	*
Miscellaneous Fines.....	1	0	0
Seasonal Farm Laborers Fines and Penalties.....	4	3	3
Department of Conservation and Natural Resources			
Miscellaneous Fines.....	1	3	3
Department of Environmental Protection			
Miscellaneous Fines.....	*	*	*
Ethics Commission			
Violations-Act 1978-170.....	9	15	15
Department of General Services			
Traffic Violation Fines.....	24	29	29
Department of Health			
Non-Compliance Fines And Penalties.....	3	10	10
Department of Insurance			
Miscellaneous Fines.....	1,323	383	385
Department of Labor and Industry			
Minor Labor Law Fines.....	5	20	20
Miscellaneous Fines.....	19	21	21
Public Utility Commission			
Violation Of Order Fines.....	294	325	325
Department of Revenue			
Malt Liquor Fines and Penalties.....	5	10	10
Motor Law Fines Prior To 7/1/76.....	*	0	0
Spirituous and Vinous Liquor Fines Penalties.....	*	0	0
Department of State			
Penalties and Fines - Charities Bureau.....	507	0	0
SUBTOTAL.....	\$ 2,262	\$ 900	\$ 900
Total Fines, Penalties and Interest.....	\$ 28,357	\$ 23,600	\$ 23,600
TOTAL NONTAX REVENUES.....	\$ 348,415	\$ 347,040	\$ 324,000
TOTAL GENERAL FUND REVENUES.....	\$ 18,123,168	\$ 18,723,640	\$ 19,237,900

* 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)					
	1992-93 Actual	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Actual	1997-98 Actual
TAX REVENUE						
Corporation Taxes						
Corporate Net Income Tax.....	\$ 1,613,290	\$ 1,456,128	\$ 1,554,112	\$ 1,905,933	\$ 1,625,889	\$ 1,703,241
Capital Stock and Franchise Taxes..	886,021	875,105	881,128	894,032	879,543	1,030,450
Selective Business:						
Gross Receipts Tax.....	660,117	637,999	646,413	683,892	665,606	729,378
Public Utility Realty Tax.....	202,941	156,269	156,616	154,031	151,003	102,342
Insurance Premiums Tax.....	243,410	235,855	266,909	253,270	228,256	217,701
Financial Institutions Tax.....	147,044	141,067	160,931	172,924	176,529	202,393
Other Selective Business Taxes.....	8,342	21,734	12,591	13,545	12,417	12,848
Total — Corporation Taxes.....	\$ 3,761,165	\$ 3,524,157	\$ 3,678,700	\$ 4,077,627	\$ 3,739,243	\$ 3,998,353
Consumption Taxes						
Sales and Use Tax.....	\$ 4,499,734	\$ 4,828,823	\$ 5,124,463	\$ 5,526,850	\$ 5,682,355	\$ 6,152,191
Cigarette Tax.....	336,245	330,065	307,679	298,587	297,660	278,994
Malt Beverage Tax.....	26,983	25,812	26,258	25,517	25,464	25,276
Liquor Tax.....	117,645	122,746	119,985	121,187	124,044	136,115
Total — Consumption Taxes.....	\$ 4,980,607	\$ 5,307,446	\$ 5,578,385	\$ 5,972,141	\$ 6,129,523	\$ 6,592,576
Other Taxes						
Personal Income Tax.....	\$ 4,807,421	\$ 4,789,995	\$ 4,872,745	\$ 5,083,152	\$ 5,374,301	\$ 6,236,383
Realty Transfer Tax.....	171,804	181,749	207,706	175,299	178,164	241,458
Inheritance Tax.....	537,732	562,880	603,985	576,033	553,477	710,904
Minor and Repealed Taxes.....	1,093	1,833	1,320	1,401	1,055	-4,921
Total — Other Taxes.....	\$ 5,518,050	\$ 5,536,457	\$ 5,685,756	\$ 5,835,885	\$ 6,106,997	\$ 7,183,824
TOTAL TAX REVENUE.....	\$ 14,259,822	\$ 14,368,060	\$ 14,942,841	\$ 15,885,653	\$ 15,975,763	\$ 17,774,753
NONTAX REVENUE						
State Stores Fund Transfer.....	\$ 41,000	\$ 33,000	\$ 47,000	\$ 60,000	\$ 42,000	\$ 50,000
Licenses, Fees and Miscellaneous:						
Licenses and Fees.....	56,200	55,470	65,684	63,796	68,665	76,994
Miscellaneous.....	139,104	153,495	130,372	183,532	231,051	193,064
Fines, Penalties and Interest:						
On Taxes.....	19,406	21,624	22,500	31,052	20,474	26,095
Other.....	1,265	1,469	2,345	651	585	2,262
TOTAL NONTAX REVENUES.....	\$ 256,975	\$ 265,058	\$ 267,901	\$ 339,031	\$ 362,775	\$ 348,415
GENERAL FUND TOTAL.....	\$ 14,516,797	\$ 14,633,118	\$ 15,210,742	\$ 16,224,684	\$ 16,338,538	\$ 18,123,168



MOTOR LICENSE FUND

The Motor License Fund is a special 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 114,073	\$ 108,477	\$ 65,609
Revenue:			
Revenue Receipts.....	\$ 1,812,696	\$ 1,867,849	\$ 1,880,269
Accrued Revenues Unrealized	85,442	85,442	85,442
Less Revenues Accrued Previously.....	-92,516	-85,442	-85,442
Total Revenue	<u>\$ 1,805,622</u>	<u>\$ 1,867,849</u>	<u>\$ 1,880,269</u>
Prior Year Lapses	30,236	15,000	0
Funds Available	<u>\$ 1,949,931</u>	<u>\$ 1,991,326</u>	<u>\$ 1,945,878</u>
Expenditures:			
Appropriations.....	\$ 1,874,501	\$ 1,947,717	\$ 1,938,216
Less Current Year Lapses	-33,047	-22,000	0
Estimated Expenditures	<u>\$ -1,841,454</u>	<u>\$ -1,925,717</u>	<u>\$ -1,938,216</u>
Ending Balance	<u>\$ 108,477</u>	<u>\$ 65,609</u>	<u>\$ 7,662</u>

* Excludes restricted revenue.

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Executive Offices			
General Government			
Office of the Budget.....	\$ 4,024	\$ 4,093	\$ 4,272
TOTAL STATE FUNDS	\$ 4,024	\$ 4,093	\$ 4,272
Augmentations.....	\$ 1,021	\$ 895	\$ 895
DEPARTMENT TOTAL.....	\$ 5,045	\$ 4,988	\$ 5,167
Treasury Department			
General Government			
Replacement Checks.....	\$ 30	\$ 300	\$ 300
Refunding Liquid Fuel Tax — Agricultural	1,767	3,200	4,500
Administration of Refunding Liquid Fuel Tax.....	346	458	452
Refunding Liquid Fuel Tax — State Share.....	498	500	650
Refunding Emergency Liquid Fuel Tax.....	0	1	1
Refunding Liquid Fuel Tax — Political Subdivisions.....	2,300	2,300	3,000
Refunding Liquid Fuel Tax — Volunteer Services.....	69	350	350
Refunding Liquid Fuel Tax — Boat Fund.....	1,404	2,300	2,300
Subtotal.....	\$ 6,414	\$ 9,409	\$ 11,553
Debt Service Requirements			
Capital Debt — Transportation Projects.....	\$ 113,377	\$ 110,514	\$ 98,126
General Obligation Debt Service.....	1,301	1,260	1,327
Loan and Transfer Agent.....	49	135	135
Subtotal.....	\$ 114,727	\$ 111,909	\$ 99,588
TOTAL STATE FUNDS	\$ 121,141	\$ 121,318	\$ 111,141
Restricted Revenue.....	\$ 29,772	\$ 29,711	\$ 28,579
DEPARTMENT TOTAL.....	\$ 150,913	\$ 151,029	\$ 139,720
Department of Conservation and Natural Resources			
Dirt and Gravel Roads.....	\$ 2	\$ 1,000	\$ 1,000
TOTAL STATE FUNDS	\$ 2	\$ 1,000	\$ 1,000
Restricted Revenue.....	\$ 3,029	\$ 6,704	\$ 3,339
DEPARTMENT TOTAL.....	\$ 3,031	\$ 7,704	\$ 4,339
Department of Education			
Grants and Subsidies			
Safe Driving Course.....	\$ 1,272	\$ 1,556	\$ 1,591
DEPARTMENT TOTAL.....	\$ 1,272	\$ 1,556	\$ 1,591

Summary by Department (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Department of Environmental Protection			
Dirt and Gravel Roads.....	\$ 4,000	\$ 4,000	\$ 4,000
DEPARTMENT TOTAL.....	\$ 4,000	\$ 4,000	\$ 4,000
Department of General Services			
Tort Claims Payments.....	\$ 27,000	\$ 20,000	\$ 20,000
Harristown Rental Charges.....	96	101	95
Harristown Utility and Municipal Charges.....	161	163	157
DEPARTMENT TOTAL.....	\$ 27,257	\$ 20,264	\$ 20,252
Department of Revenue			
General Government			
Collections — Liquid Fuels Tax.....	\$ 11,467	\$ 12,053	\$ 12,309
Refunding Liquid Fuels Tax.....	3,712	3,500	6,000
TOTAL STATE FUNDS	\$ 15,179	\$ 15,553	\$ 18,309
Augmentations.....	\$ 85	\$ 50	\$ 0
DEPARTMENT TOTAL.....	\$ 15,264	\$ 15,603	\$ 18,309
State Police			
General Government			
General Government Operations.....	\$ 253,790	\$ 267,214	\$ 264,300
Municipal Police Training.....	3,869	4,133	4,333
Patrol Vehicles.....	6,004	7,255	7,150
CLEAN System.....	4,304	8,116	14,340
DEPARTMENT TOTAL.....	\$ 267,967	\$ 286,718	\$ 290,123
Department of Transportation			
General Government			
General Government Operations.....	\$ 27,305	\$ 28,915	\$ 31,224
Highway Systems Technology.....	12,080	35,275	26,000
Refunding Collected Monies.....	4,903	5,500	4,500
Relocation of Transportation and Safety Operations.....	8,233	8,887	5,752
Highway and Safety Improvement.....	165,000	179,600	175,000
Highway Capital Projects.....	153,300	179,600	192,800
Security Walls Pilot Project.....	0	17,000	0
Metric Conversion.....	831	1,000	0
Highway Maintenance.....	625,585	609,932	621,406
Secondary Roads — Maintenance and Resurfacing.....	61,100	61,165	61,669
Highway Maintenance One Time Surface Improvements..	41,000	0	0
Preventive Maintenance.....	0	50,000	0
Highway Maintenance Safety Projects.....	0	0	45,000
Reinvestment — Facilities.....	6,000	7,175	6,140
Safety Administration and Licensing.....	88,334	93,593	99,945
Enhanced Titling and Registration.....	0	1,400	10,100
Subtotal.....	\$ 1,193,671	\$ 1,279,042	\$ 1,279,536

Summary by Department (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Grants and Subsidies			
Local Road Maintenance and Construction Payments.....	\$ 173,941	\$ 181,173	\$ 174,992
Supplemental Local Road Maintenance and Construction Payments.....	5,000	5,000	5,000
Payment to Turnpike Commission.....	28,000	28,000	28,000
Subtotal.....	\$ 206,941	\$ 214,173	\$ 207,992
TOTAL STATE FUNDS	<u>\$ 1,400,612</u>	<u>\$ 1,493,215</u>	<u>\$ 1,487,528</u>
Federal Funds.....	\$ 696,007	\$ 866,658	\$ 914,070
Augmentations.....	35,320	40,844	38,747
Restricted Revenue.....	554,907	717,555	650,253
DEPARTMENT TOTAL	<u>\$ 2,686,846</u>	<u>\$ 3,118,272</u>	<u>\$ 3,090,598</u>
Fund Summary			
State Funds — Transportation.....	\$ 1,400,612	\$ 1,493,215	\$ 1,487,528
State Funds — Other Departments.....	440,842	454,502	450,688
TOTAL STATE FUNDS	<u>\$ 1,841,454</u>	<u>\$ 1,947,717</u>	<u>\$ 1,938,216</u>
Motor License Fund Total—All Funds			
State Funds.....	\$ 1,841,454	\$ 1,947,717	\$ 1,938,216
Federal Funds.....	696,007	866,658	914,070
Augmentations.....	36,426	41,789	39,642
Restricted Revenue.....	587,708	753,970	682,171
FUND TOTAL	<u>\$ 3,161,595</u>	<u>\$ 3,610,134</u>	<u>\$ 3,574,099</u>

REVENUE SUMMARY

Five Year Revenue Projections

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Liquid Fuels Taxes.....	\$ 1,022,355	\$ 1,016,649	\$ 1,029,179	\$ 1,035,290	\$ 1,041,564	\$ 1,047,564	\$ 1,053,636
Motor Licenses and Fees.....	703,051	753,660	757,920	767,220	775,850	786,510	798,930
Other Motor License Fund Revenues.....	87,290	97,540	93,170	89,385	87,905	90,235	92,635
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 1,812,696	\$ 1,867,849	\$ 1,880,269	\$ 1,891,895	\$ 1,905,319	\$ 1,924,309	\$ 1,945,201
Aviation Restricted Revenues.....	\$ 19,314	\$ 11,096	\$ 10,877	\$ 11,101	\$ 11,330	\$ 11,583	\$ 11,802
Highway Bridge Improvement Restricted Revenues.....	\$ 101,393	\$ 75,476	\$ 79,952	\$ 80,610	\$ 81,802	\$ 82,796	\$ 83,807
State Highway Transfer Restricted Revenues.....	\$ 15,194	\$ 16,775	\$ 16,591	\$ 16,705	\$ 16,816	\$ 16,917	\$ 17,019
Oil Company Franchise Tax Restricted Revenues.....	\$ 278,481	\$ 307,530	\$ 304,158	\$ 306,248	\$ 308,295	\$ 310,150	\$ 312,019
Supplemental Maintenance Restricted Revenues.....	\$ 215,210	\$ 215,271	\$ 212,911	\$ 214,374	\$ 215,806	\$ 217,105	\$ 218,413

Adjustments to 1998-99 Revenue Estimate

On April 22, 1998, an official estimate for the 1998-99 fiscal year of \$1,841,890,000 was certified. The revised estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

(Dollar Amounts in Thousands)

	1998-99 Official Estimate	Adjustments	1998-99 Revised Estimate
Liquid Fuels Taxes.....	\$ 1,011,720	\$ 4,929	\$ 1,016,649
Motor Licenses and Fees.....	740,730	12,930	753,660
Other Motor License Fund Revenues.....	89,440	8,100	97,540
TOTAL.....	\$ 1,841,890	\$ 25,959	\$ 1,867,849

Revenue Sources

Liquid Fuels Taxes

(Dollar Amounts in Thousands)

	Actual		Estimated
1992-93.....	\$ 985,955 ¹	1998-99.....	\$ 1,016,649
1993-94.....	954,002	1999-00.....	1,029,179
1994-95.....	982,556	2000-01.....	1,035,290
1995-96.....	982,117	2001-02.....	1,041,564
1996-97.....	1,011,427	2002-03.....	1,047,564
1997-98.....	1,022,355	2003-04.....	1,053,636

Tax Base and Rates:

Liquid Fuels and Fuels Tax: The Liquid Fuels and Fuels Tax is based on the number of gallons of liquid fuel (primarily gasoline) and fuels (primarily diesel) used, sold or delivered within the Commonwealth by distributors. All monies collected are placed in the Motor License Fund, except discounts and an amount equal to one-half cent per gallon which is placed in the Liquid Fuels Tax Fund. The present tax rate is twelve cents per gallon, having been increased from the previous eleven cents per gallon rate on August 8, 1983. Prior to October 1, 1997, liquid fuels and fuels were taxed separately under the Liquid Fuels Tax Act and the Fuels Use Tax Act respectively. Both acts were repealed effective October 1, 1997.

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

Motor Carriers Road Tax-International Fuel Tax Agreement: The Motor Carriers Road tax is levied on motor carriers operating vehicles with a gross weight or registered gross weight in excess of 26,000 pounds. The tax is comprised of: a twelve cent per gallon tax and an oil company franchise tax element based upon 153.5 mills of the average wholesale price for liquid fuels and 208.5 mills of the average wholesale price for fuels and is imposed on a cents-per-gallon equivalent basis. Previously, the tax rate was 115 mills. Prior to October 1, 1997, an additional tax of 6 cents per gallon was collected through the motor carriers road tax. This tax was repealed and replaced by a fifty-five mill addition to the oil company franchise tax rate, imposed on fuels effective October 1, 1997. The fifty-five mill portion of the tax rate is dedicated to the highway bridge restricted account. Credit against the tax is given for liquid fuels and fuels tax and oil company franchise tax paid at the pump or directly remitted. Credit is also given for tax paid on motor fuels purchased in Pennsylvania but consumed elsewhere.

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

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

Interstate Bus Compact Fuels Tax. This tax which imposed a tax on fuels consumed by interstate buses was repealed, effective January 1, 1993, and replaced by the Motorbus Road Tax.

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

Oil Company Franchise Tax. This tax is an excise tax on all liquid fuels and fuels taxed pursuant to the Liquid Fuels and Fuels Tax. The current tax rate is 153.5 mills for liquid fuels and 208.5 mills for fuels and is imposed on a cents-per-gallon equivalent basis. The tax rate was increased by 38.5 mills effective May 1, 1997. The revenues from this rate increase are dedicated to specific highway maintenance purposes. Of the current tax rate, 57 mills is deposited as unrestricted Motor License Fund revenues. The balance of the tax rate represents revenues restricted to certain highway activities. These dedicated and restricted taxes are not included in the above estimates.

Revenue Sources (Continued)

Motor Licenses and Fees

(Dollar Amounts in Thousands)

	Actual		Estimated
1992-93.....	\$ 471,953	1998-99.....	\$ 753,660
1993-94.....	476,426	1999-00.....	757,920
1994-95.....	505,716	2000-01.....	767,220
1995-96.....	506,555	2001-02.....	775,850
1996-97.....	519,578	2002-03.....	786,510
1997-98.....	703,051	2003-04.....	798,930

The Commonwealth receives revenue from the collection of fees levied for the registration and titling of motor vehicles and for the issuance of learners' permits, operators' licenses, certificates of title and transfers of registration. Various motor vehicle registration fees were increased as of either July 1, 1997 or January 1, 1998 by Act 3 of 1997.

Other Motor License Fund Revenues

(Dollar Amounts in Thousands)

	Actual		Estimated
1992-93.....	\$ 66,670	1998-99.....	\$ 97,540
1993-94.....	72,305	1999-00.....	93,170
1994-95.....	71,351	2000-01.....	89,385
1995-96.....	78,183	2001-02.....	87,905
1996-97.....	78,124	2002-03.....	90,235
1997-98.....	87,290	2003-04.....	92,635

Other Motor License Fund revenues include the following sources:

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

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

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax.....	\$ 591,605	\$ 544,266	\$ 565,702
Liquid Fuels Tax Interest.....	49	93	97
Liquid Fuels Tax Penalties.....	255	153	159
Subtotal.....	<u>\$ 591,909</u>	<u>\$ 544,512</u>	<u>\$ 565,958</u>
Fuel Use Tax			
Fuel Use Tax.....	\$ 139,872	\$ 145,641	\$ 142,665
Fuel Use Tax Interest.....	197	228	222
Fuel Use Tax Penalties.....	259	357	347
Subtotal.....	<u>\$ 140,328</u>	<u>\$ 146,226</u>	<u>\$ 143,234</u>
Alternative Fuel Tax			
Alternative Fuel Tax.....	\$ 565	\$ 982	\$ 1,034
Alternative Fuel Tax Interest.....	0	29	25
Alternative Fuel Tax Penalties.....	0	4	7
Subtotal.....	<u>\$ 565</u>	<u>\$ 1,015</u>	<u>\$ 1,066</u>
Motor Carriers Road Tax — International Fuel Tax Agreement			
Motor Carriers Road/IFTA — Fuels Tax.....	\$ -3,425	\$ 8,167	\$ 2,810
Motor Carriers Road/IFTA— Registration Fees, Special			
Permit Fees and Fines.....	890	2,462	790
Subtotal.....	<u>\$ -2,535</u>	<u>\$ 10,629</u>	<u>\$ 3,600</u>
Oil Company Franchise Tax.....	<u>\$ 292,088</u>	<u>\$ 314,267</u>	<u>\$ 315,321</u>
TOTAL LIQUID FUELS TAXES.....	<u><u>\$ 1,022,355</u></u>	<u><u>\$ 1,016,649</u></u>	<u><u>\$ 1,029,179</u></u>
MOTOR LICENSES AND FEES			
Operators' Licenses.....	\$ 50,886	\$ 51,400	\$ 53,400
Other Fees Collected by Bureau of Motor Vehicles.....	20,470	22,500	23,600
Registration Fees Received From Other States/IRP.....	40,598	52,800	53,100
Special Hauling Permit Fees.....	12,258	11,500	12,000
Vehicle Registration and Titling.....	578,839	615,460	615,820
TOTAL MOTOR LICENSES AND FEES.....	<u><u>\$ 703,051</u></u>	<u><u>\$ 753,660</u></u>	<u><u>\$ 757,920</u></u>

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Gross Receipts Tax.....	\$ 491	\$ 50	\$ 10
Fines and Penalties			
Department of Revenue			
Vehicle Code Fines.....	\$ 25,131	\$ 29,209	\$ 29,877
Department of Transportation			
Vehicle Code Fines.....	4,879	4,791	5,483
Subtotal.....	\$ 30,010	\$ 34,000	\$ 35,360
Miscellaneous Revenues			
Treasury Department			
Interest on Deposits - Cash Advancement Accounts.....	\$ 75	\$ 122	\$ 103
Interest on Securities.....	33,126	40,129	34,166
Interest on Securities - Liquid Fuels Tax Fund.....	442	803	677
Redeposit of Checks.....	90	-54	-46
Subtotal.....	\$ 33,733	\$ 41,000	\$ 34,900
Department of General Services			
Sale of Unserviceable Property.....	\$ 470	\$ 490	\$ 500
Department of Transportation			
Fees for Reclaiming Abandoned Vehicles.....	\$ 22	\$ 27	\$ 28
Highway Bridge Income.....	126	120	122
Highway Encroachment Permits.....	1,256	1,276	1,296
Interest Earned - Restricted Revenue.....	-1,155	-795	-715
Miscellaneous Revenues.....	524	306	309
Recovered Damages.....	3	1	1
Refunds of Expenditures Not Credited to			
Appropriations or Allocations.....	190	199	200
Sale of Abandoned Vehicles.....	8	2	2
Sale of Bid Proposals and Contract Specifications.....	680	623	633
Sale of Inspection Stickers.....	20,475	19,827	20,104
Sale of Maps and Plans.....	457	414	420
Subtotal.....	\$ 22,586	\$ 22,000	\$ 22,400
TOTAL OTHER MOTOR LICENSE FUND REVENUES.....	\$ 87,290	\$ 97,540	\$ 93,170
TOTAL MOTOR LICENSE FUND REVENUES.....	\$ 1,812,696	\$ 1,867,849	\$ 1,880,269



Restricted Revenues Not Included in Department Total

Aviation Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1992-93.....	\$ 17,230	1998-99.....	\$ 11,096
1993-94.....	19,696	1999-00.....	10,877
1994-95.....	18,678	2000-01.....	11,101
1995-96.....	17,653	2001-02.....	11,330
1996-97.....	18,603	2002-03.....	11,583
1997-98.....	19,314	2003-04.....	11,802

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 has been transferred to a local authority. Therefore, starting with fiscal year 1997-98, aviation revenues have been restated to exclude State-owned airport revenue. Both tax rates are annually adjusted 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, 1999 is 3.3 cents per gallon on aviation gasoline and 1.5 cents per gallon on jet fuel. Aviation restricted revenues are not included in Motor License Fund revenue totals.

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax.....	\$ 12,328	\$ 10,457	\$ 10,219
Harrisburg International Airport Industrial Park.....	236	0	0
Harrisburg International Airport Operations.....	5,521	0	0
State Airport Operations.....	83	3	3
Interest.....	1,146	636	655
TOTAL AVIATION REVENUES.....	\$ 19,314	\$ 11,096	\$ 10,877

Highway Bridge Improvement Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1992-93.....	\$ 38,924 ^a	1998-99.....	\$ 75,476
1993-94.....	69,781	1999-00.....	79,952
1994-95.....	75,410	2000-01.....	80,610
1995-96.....	62,573	2001-02.....	81,802
1996-97.....	77,349	2002-03.....	82,796
1997-98.....	101,393	2003-04.....	83,807

Highway bridge improvement revenues enacted by Act 56 of 1987 as amended by Act 3 of 1997 include the following: a 55 mill Oil Company Franchise Tax on fuel consumed in Pennsylvania by qualified vehicles; a portion of the registration fee for Pennsylvania based motor vehicles in classes 9-25; and temporary permit fees collected from out-of-state motor carriers for travel in Pennsylvania.

^a The Motor Carrier Surcharge amounts are net of \$30.4 million of Axle Tax refunds in 1992-93.

Restricted Revenues Not Included in Department Total (continued)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Motor Carrier Surcharge.....	\$ 41,964	\$ 750	\$ 300
Registration Fee Portion-PA-Based Motor Vehicles.....	22,046	11,267	17,918
Temporary Permit Fees.....	208	200	190
Oil Company Fuel Tax.....	37,175	63,259	61,544
TOTAL HIGHWAY BRIDGE REVENUES.....	\$ 101,393	\$ 75,476	\$ 79,952

State Highway Transfer Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1992-93..... \$ 16,369	1998-99..... \$ 16,775
1993-94..... 15,438	1999-00..... 16,591
1994-95..... 15,716	2000-01..... 16,705
1995-96..... 15,833	2001-02..... 16,816
1996-97..... 16,919	2002-03..... 16,917
1997-98..... 15,194	2003-04..... 17,019

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.

Oil Company Franchise Tax Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1992-93..... \$ 288,863	1998-99..... \$ 307,530
1993-94..... 280,361	1999-00..... 304,158
1994-95..... 287,874	2000-01..... 306,248
1995-96..... 289,676	2001-02..... 308,295
1996-97..... 309,530	2002-03..... 310,150
1997-98..... 278,481	2003-04..... 312,019

Oil Company Franchise Tax Restricted Account revenues are provided by a 55 mill tax on the average wholesale price of motor fuels as a result of Act 26 of 1991. Revenues are restricted to the following purposes: 42 percent for maintenance, 17 percent for capital projects, 13 percent for bridges, 12 percent for municipalities, 14 percent for toll roads and 2 percent for county or forestry bridges.

Supplemental Maintenance Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1992-93..... 0	1998-99..... \$ 215,271
1993-94..... 0	1999-00..... 212,911
1994-95..... 0	2000-01..... 214,374
1995-96..... 0	2001-02..... 215,806
1996-97..... 0	2002-03..... 217,105
1997-98..... \$ 215,210	2003-04..... 218,413

Supplemental Maintenance Restricted Account revenues are provided by a 38.5 mill tax on the average wholesale price of motor fuels as a result of Act 3 of 1997. Revenues are restricted to the following purposes: 12 percent for municipalities and 88 percent for maintenance.





BANKING DEPARTMENT FUND

The Banking Department 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. It provides for the administration of the Department of Banking and regulation of financial institutions.



Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 5,684	\$ 8,573	\$ 10,544
Receipts:			
Revenue Estimate.....	\$ 11,762	\$ 11,739	\$ 12,251
Prior Year Lapses.....	210	0	0
Total Receipts	\$ 11,972	\$ 11,739	\$ 12,251
Funds Available	\$ 17,656	\$ 20,312	\$ 22,795
Expenditures:			
Appropriated.....	\$ 9,083	\$ 9,768	\$ 10,259
Estimated Expenditures.....	-9,083	-9,768	-10,259
Cash Balance, Ending	\$ 8,573	\$ 10,544	\$ 12,536

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Banking Department			
General Government			
General Government Operations.....	\$ 8,773	\$ 9,440	\$ 9,929
DEPARTMENT TOTAL	\$ 8,773	\$ 9,440	\$ 9,929
Department of General Services			
General Government			
Harristown Rental Charges.....	\$ 139	\$ 139	\$ 140
Harristown Utility and Municipal Charges.....	171	184	185
DEPARTMENT TOTAL	\$ 310	\$ 323	\$ 325
FUND TOTAL	\$ 9,083	\$ 9,768	\$ 10,259



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Licenses and Fees.....	\$ 11,161	11,124	\$ 11,609	\$ 11,880	\$ 12,106	\$ 12,412	\$ 12,740
Fines and Penalties.....	63	50	50	50	50	50	50
Miscellaneous.....	538	565	592	622	653	686	720
TOTAL BANKING DEPARTMENT FUND REVENUES.....	\$ 11,762	\$ 11,739	\$ 12,251	\$ 12,552	\$ 12,809	\$ 13,148	\$ 13,510

Revenue Sources

Licenses and Fees

Actual		Estimated	
1992-93.....	\$ 10,440	1998-99.....	\$ 11,124
1993-94.....	12,382	1999-00.....	11,609
1994-95.....	10,546	2000-01.....	11,880
1995-96.....	10,721	2001-02.....	12,106
1996-97.....	10,063	2002-03.....	12,412
1997-98.....	11,161	2003-04.....	12,740

The Commonwealth receives revenue from examination fees based on the actual cost of examining banks and trust companies, savings and private banks, savings associations, pawnbrokers, consumer discount companies and credit unions. Overhead assessment fees, based upon total assets, also are charged against banks and trust companies, savings and private banks, credit unions, and savings associations. Annual license fees are paid by pawnbrokers, consumer discount companies, small loan companies, installment sellers, sales finance companies, collector-repossessors, money transmitters and miscellaneous fees including those for branch banks and mergers. Since 1989-90, fees include the impact of Act 90 of 1989, the Mortgage Bankers and Brokers Act.

Fines and Penalties

Actual		Estimated	
1992-93.....	\$ 40	1998-99.....	\$ 50
1993-94.....	101	1999-00.....	50
1994-95.....	63	2000-01.....	50
1995-96.....	146	2001-02.....	50
1996-97.....	50	2002-03.....	50
1997-98.....	63	2003-04.....	50

The Commonwealth receives fines and penalties collected from companies illegally doing business in the Commonwealth as well as companies that file financial statements beyond deadlines established in regulations.

Revenue Sources (continued)

Miscellaneous Revenue

	Actual		Estimated
1992-93.....	\$ 79	1998-99.....	\$ 565
1993-94.....	79	1999-00.....	592
1994-95.....	221	2000-01.....	622
1995-96.....	297	2001-02.....	653
1996-97.....	404	2002-03.....	686
1997-98.....	538	2003-04.....	720

The Commonwealth receives and deposits in the Banking Department Fund revenues from the sale of copies of the banking laws and the savings association laws, interest on deposits and sale of unserviceable property.

Revenue Detail

The following is a detailed list of all revenues available for Banking Department Fund appropriations and executive authorization.

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Licenses and Fees			
Banking — Examinations.....	\$ 4	\$ 0	\$ 0
Banking — Application Fees.....	109	91	85
Banking — Interstate Application Fees.....	10	10	0
Banking — Intrastate Application Fees.....	3	10	10
Savings Associations — Examinations.....	280	286	254
Savings Associations — Overhead Assessments.....	91	92	85
Savings Associations — Application Fees.....	3	10	7
Savings Associations — Mergers and Consolidations.....	0	24	12
Savings Associations — Interstate Application Fees.....			
Check Cashers — Examinations.....	0	2	45
Check Cashers — Licenses.....	12	150	250
Consumer Credit — Examinations.....	273	237	218
Consumer Credit — Pawnbroker Licenses.....	22	23	23
Consumer Credit — Installment Seller Licenses.....	935	979	1,008
Consumer Credit — Consumer Discount			
Company Licenses.....	256	239	246
Consumer Credit — Money Transmitter Licenses.....	52	40	40
Consumer Credit — Sales Finance Licenses.....	433	400	412
Consumer Credit — Collector-Repossessor Licenses.....	38	31	32
Credit Unions — Application Fees.....	0	8	0
Credit Unions — Overhead Assessments.....	339	372	396
Secondary Mortgage Broker Licenses.....	939	881	908
Examinations — Credit Union.....	410	411	400
Examinations — Mortgage Banker Brokers.....	2	2	3
Examinations — Pawnbrokers.....	22	23	23
Examinations — Second Mortgage.....	124	93	86
Examinations — Trust Companies.....	114	209	143
Examinations — Money Transmitters.....	73	60	67
Examinations — Secondary Mortgage Broker.....	0	11	24
Overhead Assessments — Trust Companies.....	84	78	68
Total Assessment Charges — Banks.....	5,489	5,474	5,852
First Mortgage Company — Licenses.....	852	800	824
Second Mortgage Broker Agent — Licenses.....	169	72	74
Mututal Holding Companies — Reorganization			
Application Fees.....	10	0	0
Miscellaneous.....	13	6	14
TOTAL.....	\$ 11,161	\$ 11,124	\$ 11,609



Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Fines and Penalties			
Banking Law--Fines and Penalties.....	\$ 63	\$ 50	\$ 50
TOTAL.....	<u>\$ 63</u>	<u>\$ 50</u>	<u>\$ 50</u>
Miscellaneous Revenue			
Interest on Securities.....	\$ 538	\$ 564	\$ 592
Miscellaneous.....	0	1	0
TOTAL.....	<u>\$ 538</u>	<u>\$ 565</u>	<u>\$ 592</u>
TOTAL REVENUES.....	<u>\$ 11,762</u>	<u>\$ 11,739</u>	<u>\$ 12,251</u>



BOAT FUND

The Boat Fund is a special revenue fund composed of monies from license fees, fines, penalties, Federal contributions and other sources under the Fish and Boat Law and from liquid fuels taxes transferred from the Motor License and Liquid Fuels Tax Funds. This fund provides for the administration and enforcement of programs relating to boats and boating.

Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance.....	\$ 8,467	\$ 7,531	\$ 7,533
Receipts:			
Revenue Estimate.....	\$ 8,580	\$ 10,423	\$ 9,537
Prior Year Lapses ^a	982	0	0
Total Receipts.....	\$ 9,562	\$ 10,423	\$ 9,537
Funds Available.....	\$ 18,029	\$ 17,954	\$ 17,070
Expenditures:			
Appropriated.....	\$ 10,498	\$ 10,421	\$ 10,225
Estimated Expenditures.....	-10,498	-10,421	-10,225
Ending Balance.....	\$ 7,531	\$ 7,533	\$ 6,845

^a Reflected in Report of Revenues and Receipts as a transfer from Fish Fund.

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations.....	\$ 8,277	\$ 7,982	\$ 8,230
TOTAL STATE FUNDS	\$ 8,277	\$ 7,987	\$ 8,235
Federal Funds.....	\$ 2,192	\$ 2,414	\$ 1,970
Other Funds.....	29	20	20
FUND TOTAL.....	\$ 10,498	\$ 10,421	\$ 10,225



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Licenses and Fees.....	\$ 4,104	\$ 5,205	\$ 4,813	\$ 4,858	\$ 4,904	\$ 4,950	\$ 4,997
Fines and Penalties.....	171	160	162	165	165	170	170
Miscellaneous.....	2,084	2,624	2,572	2,678	2,769	2,860	2,951
TOTAL BOAT FUND REVENUES.....	\$ 6,359	\$ 7,989	\$ 7,547	\$ 7,701	\$ 7,838	\$ 7,980	\$ 8,118
Augmentations.....	\$ 2,221	\$ 2,434	\$ 1,990	\$ 1,990	\$ 1,990	\$ 1,990	\$ 1,990
TOTAL BOAT FUND RECEIPTS.....	\$ 8,580	\$ 10,423	\$ 9,537	\$ 9,691	\$ 9,828	\$ 9,970	\$ 10,108

Revenue Sources

Licenses and Fees

Actual		Estimated	
1992-93.....	\$ 3,259	1998-99.....	\$ 5,205
1993-94.....	4,331	1999-00.....	4,813
1994-95.....	4,128	2000-01.....	4,858
1995-96.....	4,583	2001-02.....	4,904
1996-97.....	4,231	2002-03.....	4,950
1997-98.....	4,104	2003-04.....	4,997

The Boat Fund receives revenue from boat registration fees. Act 39 of 1991 increased and added fees. For motorboats up to 16 feet in length, the annual registration fee is \$10.00. For those between 16 and 20 feet, the fee is \$15.00 per year. The annual fee for motorboats over 20 feet is \$20.00. There is also a voluntary registration fee of \$5.00 per year for all boats not equipped with motors. Other fees, such as duplicate registrations (\$5.00 each) and commercial passenger boat registrations (\$25.00 each), were also affected by Act 39.

Fines and Penalties

Actual		Estimated	
1992-93.....	\$ 103	1998-99.....	\$ 160
1993-94.....	108	1999-00.....	162
1994-95.....	141	2000-01.....	165
1995-96.....	133	2001-02.....	165
1996-97.....	161	2002-03.....	170
1997-98.....	171	2003-04.....	170

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

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1992-93.....	\$ 2,335	1998-99.....	\$ 2,624
1993-94.....	2,352	1999-00.....	2,572
1994-95.....	2,679	2000-01.....	2,678
1995-96.....	672	2001-02.....	2,769
1996-97.....	4,565	2002-03.....	2,860
1997-98.....	2,084	2003-04.....	2,951

The Boat Fund receives a portion of the Liquid Fuels Tax transferred from the Motor License Fund and the Liquid Fuels Tax Fund for fuel used by motorboats on the waters of the Commonwealth. In addition, a small amount of revenue is collected annually from other miscellaneous sources.

Revenue Detail

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

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Licenses and Fees			
Motor Boat Registration Fees.....	\$ 4,016	\$ 4,856	\$ 4,517
Boat Mooring Permits — Walnut Creek Access.....	31	38	32
Boating Safety Curriculum Fees.....	3	4	4
Boat Capacity Plate Fees.....	13	7	10
Boat Titling Fees.....	41	300	250
TOTAL.....	\$ 4,104	\$ 5,205	\$ 4,813
Fines and Penalties			
Motor Boat Fines.....	\$ 171	\$ 160	\$ 162
TOTAL.....	\$ 171	\$ 160	\$ 162
Miscellaneous Revenues			
Transfer from Motor License and Liquid Fuels			
Tax Funds.....	\$ 1,466	\$ 1,976	\$ 1,900
Miscellaneous.....	13	20	18
Interest on Securities.....	446	426	460
Sale of Unserviceable Property.....	0	2	2
Sales Tax Agent Fee PFC Share.....	20	50	52
North East Marina.....	139	150	140
TOTAL.....	\$ 2,084	\$ 2,624	\$ 2,572
Augmentations			
Sale of Automobiles.....	\$ 29	\$ 20	\$ 20
U.S. Coast Guard Grant for Boating Safety.....	1,353	1,386	1,400
Sport Fish Restoration.....	773	943	570
Clean Vessel Act.....	66	85	0
TOTAL.....	\$ 2,221	\$ 2,434	\$ 1,990
TOTAL RECEIPTS.....	\$ 8,580	\$ 10,423	\$ 9,537



FARM PRODUCTS SHOW FUND

The Farm Products Show Fund is a special revenue fund made up of monies received from the leasing of space to exhibitors and from rental, entry fees and other monies received or collected by the Farm Products Show Commission. It also includes a transfer from the General Fund.

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



Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 958	\$ 764	\$ 2,266
Receipts:			
Revenue Estimate.....	\$ 3,762	\$ 5,783	\$ 3,814
Transfer from General Fund.....	800	800	800
Prior Year Lapses.....	171	0	0
Total Receipts.....	\$ 4,733	\$ 6,583	\$ 4,614
Funds Available	\$ 5,691	\$ 7,347	\$ 6,880
Expenditures:			
Appropriated.....	\$ 4,927	\$ 5,081	\$ 5,272
Estimated Expenditures.....	-4,927	-5,081	-5,272
Ending Balance	\$ 764	\$ 2,266	\$ 1,608

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Department of Agriculture			
General Government			
General Operations.....	\$ 4,127	\$ 4,276	\$ 4,467
Augmentations.....	\$ 800	\$ 800	\$ 800
DEPARTMENT TOTAL.....	\$ 4,927	\$ 5,076	\$ 5,267
FUND TOTAL.....	\$ 4,927	\$ 5,081	\$ 5,272



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Licenses and Fees.....	\$ 275	\$ 270	\$ 260	\$ 260	\$ 260	\$ 260	\$ 260
Miscellaneous.....	3,487	5,513	3,554	3,554	3,554	3,554	3,554
TOTAL FARM PRODUCTS SHOW FUND REVENUES.....	\$ 3,762	\$ 5,783	\$ 3,814	\$ 3,814	\$ 3,814	\$ 3,814	\$ 3,814
Augmentations.....	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS.....	\$ 4,562	\$ 6,583	\$ 4,614	\$ 4,614	\$ 4,614	\$ 4,614	\$ 4,614

Revenue Sources

Licenses and Fees

Actual	Estimated
1992-93..... \$ 276	1998-99..... \$ 270
1993-94..... 274	1999-00..... 260
1994-95..... 278	2000-01..... 260
1995-96..... 282	2001-02..... 260
1996-97..... 282	2002-03..... 260
1997-98..... 275	2003-04..... 260

The Commonwealth receives all competitive exhibitor and commercial exhibitor fees and those fees from departments, boards and commissions of the State Government having exhibits at the show.

Miscellaneous Revenues

Actual	Estimated
1992-93..... \$ 2,830	1998-99..... \$ 5,513
1993-94..... 2,870	1999-00..... 3,554
1994-95..... 3,218	2000-01..... 3,554
1995-96..... 3,367	2001-02..... 3,554
1996-97..... 3,418	2002-03..... 3,554
1997-98..... 3,487	2003-04..... 3,554

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



Revenue Detail

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

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Licenses and Fees			
Exhibit Fees — Competitive—Farm Show.....	\$ 19	\$ 20	\$ 20
Exhibit — Commercial.....	256	250	240
TOTAL.....	\$ 275	\$ 270	\$ 260
Miscellaneous Revenue			
Concession Revenue.....	\$ 819	\$ 895	\$ 990
Service Charges.....	399	412	413
Rentals.....	1,518	1,400	1,500
Miscellaneous Revenue.....	144	57	63
Sale of Woodville State Farm	0	2,197	0
Interest on Securities, Deposits, Returned Checks.....	71	0	61
Parking Fees.....	487	503	475
Salary Reimbursement — Dairy and Livestock Association.....	44	44	47
Sign Shop Sales.....	5	5	5
TOTAL.....	\$ 3,487	\$ 5,513	\$ 3,554
Augmentations			
Transfer from General Fund.....	\$ 800	\$ 800	\$ 800
TOTAL RECEIPTS.....	\$ 4,562	\$ 6,583	\$ 4,614



FISH FUND

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



Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 12,384	\$ 13,651	\$ 14,894
Receipts:			
Miscellaneous.....	\$ 39,569	\$ 39,747	\$ 39,706
Free License Reimbursement.....	0	798	0
Prior Year Lapses.....	920	0	0
Total Receipts.....	\$ 40,489	\$ 40,545	\$ 39,706
Funds Available	\$ 52,873	\$ 54,196	\$ 54,600
Expenditures:			
Appropriated.....	\$ 39,222	\$ 39,302	\$ 40,682
Estimated Expenditures.....	-39,222	-39,302	-40,682
Ending Balance	\$ 13,651	\$ 14,894	\$ 13,918

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Debt Service Requirements			
General Operation Debt Service.....	\$ 0	\$ 0	\$ 0
DEPARTMENT TOTAL	\$ 0	\$ 5	\$ 5
Fish and Boat Commission			
General Government			
General Operations.....	\$ 22,621	\$ 22,436	\$ 24,522
TOTAL STATE FUNDS	\$ 22,621	\$ 22,441	\$ 24,527
Federal Funds.....	\$ 5,748	\$ 6,021	\$ 5,526
Other Funds.....	10,853	10,840	10,629
FUND TOTAL	\$ 39,222	\$ 39,302	\$ 40,682



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Licenses and Fees.....	\$ 20,428	\$ 20,202	\$ 20,724	\$ 20,922	\$ 21,112	\$ 21,306	\$ 21,498
Fines and Penalties.....	332	320	320	322	322	325	325
Miscellaneous.....	2,208	2,364	2,507	2,716	2,809	2,886	2,907
TOTAL FISH FUND REVENUES.....	\$ 22,968	\$ 22,886	\$ 23,551	\$ 23,960	\$ 24,243	\$ 24,517	\$ 24,730
Augmentations.....	\$ 16,601	\$ 16,861	\$ 16,155	\$ 16,329	\$ 16,506	\$ 16,686	\$ 16,870
TOTAL FISH FUND RECEIPTS.....	\$ 39,569	\$ 39,747	\$ 39,706	\$ 40,289	\$ 40,749	\$ 41,203	\$ 41,600

Revenue Sources

Licenses and Fees

Actual		Estimated	
1992-93.....	\$ 17,239	1998-99.....	\$ 20,202
1993-94.....	17,170	1999-00.....	20,724
1994-95.....	17,500	2000-01.....	20,922
1995-96.....	19,100	2001-02.....	21,112
1996-97.....	19,908	2002-03.....	21,306
1997-98.....	20,428	2003-04.....	21,498

The Commonwealth issues resident fishing licenses to persons between the ages of 16 and 64 if the applicant can prove residency within the Commonwealth for 60 days. Through the passage of Act 47 of 1995, the resident fees were increased to \$16.25. The Commonwealth also issues senior resident fishing licenses to persons 65 years of age and older for a fee of \$3.25. An individual eligible for a senior resident license can purchase a lifetime license for a fee of \$15.25. Act 47 of 1995 also increased nonresident fees to \$34.25 and the tourist fishing license to \$29.25. Tourist licenses are valid for a period of seven consecutive days. Effective January 1991, persons fishing for trout or salmon are now required to buy a \$5.00 stamp in addition to their regular fishing licenses. Other sources of revenue include special eel licenses, Lake Erie commercial fishing licenses and commercial hatchery licenses.

Fines and Penalties

Actual		Estimated	
1992-93.....	\$ 293	1998-99.....	\$ 320
1993-94.....	317	1999-00.....	320
1994-95.....	282	2000-01.....	322
1995-96.....	314	2001-02.....	322
1996-97.....	323	2002-03.....	325
1997-98.....	332	2003-04.....	325

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

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1992-93.....	\$ 2,035	1998-99.....	\$ 2,364
1993-94.....	1,950	1999-00.....	2,507
1994-95.....	1,884	2000-01.....	2,716
1995-96.....	1,940	2001-02.....	2,809
1996-97.....	1,993	2002-03.....	2,886
1997-98.....	2,208	2003-04.....	2,907

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimated	1999-00 Budget
Licenses and Fees			
Resident Fishing Licenses.....	\$ 14,370	\$ 14,274	\$ 14,559
Resident Senior Fishing Licenses.....	56	57	57
Nonresident Fishing Licenses.....	1,631	1,619	1,644
Tourist Fishing Licenses - 3 Day.....	448	435	462
Tourist Fishing Licenses - 7 Day.....	81	82	82
Lake Erie Licenses.....	2	2	2
Commercial Hatchery Licenses.....	8	9	9
Fishing Lake Licenses.....	24	24	25
Miscellaneous Permits and Fees.....	37	38	38
Scientific Collector's Permits.....	6	6	6
Lifetime Fishing Licenses - Senior Resident.....	186	194	187
Membership Fees - Pennsylvania League of Angling Youth.....	10	12	12
H.R. Stackhouse Facilities User Fees.....	3	3	4
Trout/Salmon Stamp.....	3,566	3,447	3,637
TOTAL.....	\$ 20,428	\$ 20,202	\$ 20,724
Fines and Penalties			
Fish Law Fines.....	\$ 332	\$ 320	\$ 320
TOTAL.....	\$ 332	\$ 320	\$ 320



Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimated	1999-00 Budget
Miscellaneous Revenue			
Sale of Publications.....	\$ 35	\$ 40	\$ 35
Sale of Unserviceable Property.....	1	5	5
Miscellaneous Revenue.....	153	113	98
Interest on Securities and Deposits.....	890	845	812
Rental of Fish and Boat Commission Property.....	27	26	27
Income from Sand and Gravel Dredging.....	440	665	760
In Lieu of Payments for Fishways.....	25	25	25
Sale of <i>Pennsylvania Angler & Boater</i>	233	240	235
Pollution and Stream Disturbance Settlements.....	352	350	350
Sale of Recreational Fishing Promotional Items.....	33	24	25
Royalty Payments.....	17	31	35
Sale of Timber.....	2	0	100
TOTAL.....	\$ 2,208	\$ 2,364	\$ 2,507
TOTAL REVENUES.....	\$ 22,968	\$ 22,886	\$ 23,551
Augmentations			
Sale of Automobiles and Other Vehicles.....	\$ 63	\$ 50	\$ 50
Reimbursement for Services - Boat Fund.....	10,498	10,416	10,220
Reimbursement for Services - Department of Transportation.....	44	52	54
Reimbursement for Services - Shad Restoration.....	215	229	230
Reimbursement for Services - DEP/EPA Projects.....	8	80	75
Reimbursement for Services - Wild Resource Conservation Fund.....	25	13	0
Federal Reimbursement - Sport Fish Restoration.....	5,448	5,377	4,810
Reimbursement for Services - Mid-Atlantic Management Council.....	7	0	0
Federal Reimbursement - Clean Vessel Act.....	0	10	0
Federal Reimbursement - Endangered Species.....	4	1	0
Federal Reimbursement - Surface Mine Regulation.....	40	40	43
Federal Reimbursement - NOAA.....	249	593	673
TOTAL.....	\$ 16,601	\$ 16,861	\$ 16,155
TOTAL RECEIPTS.....	\$ 39,569	\$ 39,747	\$ 39,706



GAME FUND

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



Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 30,854	\$ 22,832	\$ 17,163
Receipts:			
Revenue Estimate.....	\$ 46,741	\$ 47,161	\$ 58,188
Prior Year Lapses.....	1,469	3,928	0
Total Receipts.....	\$ 48,210	\$ 51,089	\$ 58,188
Funds Available	\$ 79,064	\$ 73,921	\$ 75,351
Expenditures:			
Appropriated.....	\$ 56,232	\$ 56,758	\$ 59,207
Estimated Expenditures.....	-56,232	-56,758	-59,207
Ending Balance	\$ 22,832	\$ 17,163	\$ 16,144

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Game Commission			
General Government			
General Operations.....	\$ 48,251	\$ 47,849	\$ 48,953
Land Acquisition and Development.....	-6	100	2,000
DEPARTMENT TOTAL.....	\$ 48,245	\$ 47,949	\$ 50,953
TOTAL STATE FUNDS	\$ 48,245	\$ 47,954	\$ 50,958
Federal Funds.....	\$ 7,272	\$ 8,060	\$ 7,567
Other Funds.....	715	744	682
FUND TOTAL.....	\$ 56,232	\$ 56,758	\$ 59,207

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Licenses and Fees.....	\$ 21,370	\$ 21,960	\$ 31,566	\$ 31,566	\$ 31,566	\$ 31,566	\$ 31,566
Fines and Penalties.....	1,534	1,501	1,551	1,551	1,551	1,551	1,551
Miscellaneous.....	15,850	15,433	16,823	16,823	16,823	16,823	16,823
TOTAL GAME FUND REVENUES.....	\$ 38,754	\$ 38,894	\$ 49,940	\$ 49,940	\$ 49,940	\$ 49,940	\$ 49,940
Augmentations.....	\$ 7,987	\$ 8,267	\$ 8,248	\$ 8,248	\$ 8,248	\$ 8,248	\$ 8,248
TOTAL GAME FUND RECEIPTS.....	\$ 46,741	\$ 47,161	\$ 58,188	\$ 58,188	\$ 58,188	\$ 58,188	\$ 58,188

Revenue Sources

Licenses and Fees

Actual	Estimated
1992-93..... \$ 25,646	1998-99..... \$ 21,960
1993-94..... 25,388	1999-00..... 31,566
1994-95..... 26,363	2000-01..... 31,566
1995-96..... 25,087	2001-02..... 31,566
1996-97..... 22,290	2002-03..... 31,566
1997-98..... 21,370	2003-04..... 31,566

Through the passage of Act 166 of 1998, new fees for licenses will become effective July 1999. For resident hunting and resident furtaker licenses, the fees will be: ages 17 to 64, \$19.00; over age 65, \$12.00; ages 12 to 16, \$5.00. Resident senior lifetime hunting and furtaker license's will be \$50.00 each; and a resident senior lifetime combination hunting and furtaking license will be \$100.00. A junior resident combination hunting and furtaker license will be \$8.00. Resident bear hunting and archery licenses will be \$15.00; a muzzleloading resident license will be \$10.00; and a resident antlerless deer license will be \$5.00. For nonresidents of the Commonwealth, hunting licenses will be: over age 17, \$100.00; ages 12 to 16, \$40.00. A junior nonresident combination hunting and furtaker license will be \$50.00. In addition, a license for a nonresident to hunt bear will be \$35.00; a license for a nonresident to hunt antlerless deer will be \$25.00; and a muzzleloading license for a nonresident will be \$20.00. Nonresidents will also be able to purchase an adult furtaker license for \$80.00; a junior furtaker license for \$40.00; and a seven-day license to hunt small game for \$30.00. Amounts shown from 1996-97 through 2003-04 are net of transfers of funds for the natural propagation of wildlife. Please see the Game Commission presentation for additional information.

Fines and Penalties

Actual	Estimated
1992-93..... \$ 1,809	1998-99..... \$ 1,501
1993-94..... 1,581	1999-00..... 1,551
1994-95..... 1,323	2000-01..... 1,551
1995-96..... 2,140	2001-02..... 1,551
1996-97..... 1,500	2002-03..... 1,551
1997-98..... 1,534	2003-04..... 1,551

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



Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1992-93.....	\$ 16,785	1998-99.....	\$ 15,433
1993-94.....	16,155	1999-00.....	16,823
1994-95.....	16,774	2000-01.....	16,823
1995-96.....	15,870	2001-02.....	16,823
1996-97.....	17,053	2002-03.....	16,823
1997-98.....	15,850	2003-04.....	16,823

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Licenses and Fees			
Resident Hunting Licenses.....	\$ 9,758	\$ 9,800	\$ 14,694
Resident Junior Hunting Licenses.....	499	500	570
Nonresident Hunting Licenses.....	5,098	5,100	5,314
Special Game Permits.....	323	300	325
Special Antlerless Deer Licenses.....	3,409	4,250	4,290
Special Archery Licenses.....	1,597	1,600	4,409
Landowner Hunting Licenses.....	6	6	6
Resident Senior Hunting Licenses.....	486	500	575
Muzzleloading Hunting Licenses.....	417	420	871
Right-of-Way Licenses.....	362	400	400
Resident Bear Licenses.....	1,134	1,100	1,575
Nonresident Bear Licenses.....	68	70	95
Hunting License Issuing Agents' Application Fees.....	22	30	30
Nonresident Junior Hunting License.....	94	100	80
Nonresident 7-Day Hunting License.....	66	68	133
Senior Resident - Lifetime Hunting License.....	250	250	250
Adult Resident Furtaker License.....	268	270	437
Junior Resident Furtaker License.....	15	15	15
Senior Resident Furtaker License.....	15	15	15
Nonresident Furtaker License.....	33	30	30
Senior Lifetime Furtaker License.....	7	7	7
Junior Nonresident Furtaker.....	2	2	2
Migratory Game Bird License.....	1	1	317
TOTAL.....	\$ 23,930	\$ 24,834	\$ 34,440
Restricted Revenue			
Transfer to General Habitat Improvement.....	\$ -1,205	\$ -1,236	\$ -1,236
Transfer to Deer Food and Cover.....	-1,355	-1,638	-1,638
TOTAL.....	\$ -2,560	\$ -2,874	\$ -2,874
Net Licenses and Fees			
TOTAL.....	\$ 21,370	\$ 21,960	\$ 31,566
Game Law Fines.....	\$ 1,534	\$ 1,501	\$ 1,551
TOTAL.....	\$ 1,534	\$ 1,501	\$ 1,551

Revenue Detail (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Fines and Penalties			
Game Law Fines.....	\$ 1,534	\$ 1,501	\$ 1,551
TOTAL.....	\$ 1,534	\$ 1,501	\$ 1,551
Miscellaneous Revenue			
Sports Promotional Publications and Materials.....	\$ 7	\$ 10	\$ 10
Sale of Coal.....	137	150	150
Sale of Wood Products.....	11,075	11,000	11,850
Interest on Deposits.....	34	40	75
Sale of Skins and Guns.....	38	25	25
Rental of State Property.....	10	10	10
Miscellaneous Revenue.....	128	120	120
Interest on Securities.....	2,177	2,200	2,350
Gas and Oil Ground Rentals and Royalties.....	677	630	680
Refund of Expenditures Not Credited to Appropriations.....	107	5	5
Miscellaneous Revenue License Division.....	23	20	25
Sale of Game News.....	663	712	712
Condemnation Awards Received.....	1	1	1
Sale of Grain and Hay.....	55	50	55
Sale of Maps.....	28	25	30
Wildlife Management Promotional Revenue.....	111	140	225
Sale of Wood Products - PR Tracts.....	225	0	150
Sale of Centennial Commemorative Items.....	18	0	0
Working Together For Wildlife - Non-Game Fund.....	234	200	250
Oil and Gas Recovery Support.....	25	20	20
Waterfowl Management Stamp Sales and Royalties.....	74	72	77
Sales Tax.....	3	3	3
TOTAL.....	\$ 15,850	\$ 15,433	\$ 16,823
TOTAL REVENUES.....	\$ 38,754	\$ 38,894	\$ 49,940
Augmentations			
Sale of Automobiles.....	\$ 274	\$ 250	\$ 250
Federal Reimbursement - Pittman Robinson Act.....	7,151	7,500	7,500
Endangered Species Program.....	7	7	7
Pennsylvania Conservation Corps.....	128	100	100
Federal Reimbursement - Surface Mine Regulation.....	43	43	46
Private Donations.....	110	10	10
Youth Hunter Education Challenge.....	0	5	5
Streambank Fencing Program.....	100	100	100
PennDot Reimbursement - Deer Roadkill.....	82	200	200
PennDot Reimbursement - Elk Lick Project.....	1	22	0
Federal Reimbursement - Harvest Information Program.....	70	13	13
Becoming an Outdoors Woman.....	19	15	15
Purchasing Card Rebate.....	2	2	2
	\$ 7,987	\$ 8,267	\$ 8,248
TOTAL RECEIPTS.....	\$ 46,741	\$ 47,161	\$ 58,188



KEYSTONE RECREATION, PARK AND CONSERVATION FUND

The Keystone Recreation, Park and Conservation Fund is a special revenue fund composed of monies from the sale of specific bonds and certain tax revenues. This fund provides for increased acquisition, improvements and expansions of Commonwealth and community parks, recreation facilities, historic sites, zoos, public libraries, nature preserves and wildlife habitats.

Keystone Recreation, Park and Conservation Fund

Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 51,125	\$ 69,584	\$ 40,469
Receipts:			
Revenue Estimate.....	\$ 59,972	\$ 48,778	\$ 45,418
Prior Year Lapses.....	14,281	19,035	0
Total Receipts.....	\$ 74,253	\$ 67,813	\$ 45,418
Funds Available	\$ 125,378	\$ 137,397	\$ 85,887
Expenditures:			
Appropriated.....	\$ 55,794	\$ 96,928	\$ 48,323
Estimated Expenditures.....	-55,794	-96,928	-48,323
Ending Balance	\$ 69,584	\$ 40,469	\$ 37,564

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury			
Bond Issuance Expenses.....	\$ 9	\$ 0	\$ 0
Department of Conservation and Natural Resources			
General Government			
Park and Forest Facility Rehabilitation — Bond Proceeds..	\$ 178	\$ 119	\$ 0
Park and Forest Facility Rehabilitation — Realty Transfer Tax.....	13,692	21,064	\$ 14,633
Subtotal.....	\$ 13,870	\$ 21,183	\$ 14,633
Grants and Subsidies			
Grants for Local Recreation — Bond Proceeds.....	5,627	5,166	0
Grants for Local Recreation — Realty Transfer Tax.....	8,370	32,382	12,194
Grants to Land Trusts — Bond Proceeds.....	300	322	0
Grants to Land Trusts — Realty Transfer Tax.....	5,782	10,722	4,878
Grants to Zoos — Bond Proceeds.....	1,100	919	0
Subtotal.....	\$ 21,179	\$ 49,511	\$ 17,072
DEPARTMENT TOTAL	\$ 35,049	\$ 70,694	\$ 31,705
Department of Education			
Grants and Subsidies			
Local Libraries Rehabilitation and Development — Bond Proceeds.....	\$ 453	\$ 70	\$ 0
Local Libraries Rehabilitation and Development — Realty Transfer Tax.....	2,050	3,526	\$ 1,951
DEPARTMENT TOTAL	\$ 2,503	\$ 3,596	\$ 1,951



Keystone Recreation, Park and Conservation Fund

Summary by Department (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
State System of Higher Education			
General Government			
Deferred Maintenance — Realty Transfer Tax.....	\$ 8,526	\$ 10,629	\$ 8,326
Fish and Boat Commission			
General Government			
Fishing and Boating Access Areas — Bond Proceeds.....	\$ 48	\$ 742	\$ 0
Game Commission			
General Government			
Land Acquisition and Development — Bond Proceeds.....	\$ 109	\$ 20	\$ 0
Historical and Museum Commission			
Grants and Subsidies			
Historic Site Development — Bond Proceeds.....	\$ 1,935	\$ 1,335	\$ 0
Historic Site Development — Realty Transfer Tax.....	7,615	9,912	6,341
DEPARTMENT TOTAL.....	\$ 9,550	\$ 11,247	\$ 6,341
FUND TOTAL.....	\$ 55,794	\$ 96,928	\$ 48,323



Keystone Recreation, Park and Conservation Fund

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Sale of Bonds.....	\$ 14,140	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Realty Transfer Tax.....	41,237	46,000	43,500	44,700	49,100	53,600	57,500
Miscellaneous.....	4,595	2,778	1,918	1,849	1,944	2,129	2,309
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND RECEIPTS.....	\$ 59,972	\$ 48,778	\$ 45,418	\$ 46,549	\$ 51,044	\$ 55,729	\$ 59,809

Revenue Sources

Sale of Bonds

Actual		Estimated	
1992-93.....	\$ 0	1998-99.....	\$ 0
1993-94.....	0	1999-00.....	0
1994-95.....	11,873	2000-01.....	0
1995-96.....	23,684	2001-02.....	0
1996-97.....	0	2002-03.....	0
1997-98.....	14,140	2003-04.....	0

Act 50 of 1993 authorized a total of \$50,000,000 in bonds to fund various programs. Proceeds from the sale of these bonds, less costs of issuance and bond discounts, are deposited in this fund and distributed to agencies according to the formula specified in Act 50.

Realty Transfer Tax

Actual		Estimated	
1992-93.....	\$ 0	1998-99.....	\$ 46,000
1993-94.....	0	1999-00.....	43,500
1994-95.....	31,204	2000-01.....	44,700
1995-96.....	31,620	2001-02.....	49,100
1996-97.....	35,092	2002-03.....	53,600
1997-98.....	41,237	2003-04.....	57,500

Act 50 of 1993 approves the transfer of 15% of the revenues from the State Realty Transfer Tax to this fund. These monies are distributed to programs according to the formula contained in the act.

Keystone Recreation, Park and Conservation Fund

Revenue Sources (continued)

Miscellaneous Revenues

Actual		Estimated	
1992-93.....	\$ 0	1998-99.....	\$ 2,778
1993-94.....	0	1999-00.....	1,918
1994-95.....	999	2000-01.....	1,849
1995-96.....	2,562	2001-02.....	1,944
1996-97.....	4,056	2002-03.....	2,129
1997-98.....	4,595	2003-04.....	2,309

Miscellaneous revenues are earned interest.

Revenue Detail

The following is a detailed list of all Keystone Recreation, Park and Conservation Fund revenues available for appropriations and executive authorization.

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Licenses and Fees			
Sale of Bonds.....	\$ 14,140	\$ 0	\$ 0
Realty Transfer Tax.....	41,237	46,000	43,500
Miscellaneous.....	4,595	2,778	1,918
TOTAL RECEIPTS.....	\$ 59,972	\$ 48,778	\$ 45,418



LOTTERY FUND

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

Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 56,957	\$ 82,602	\$ 66,480
Reserve from Previous Year.....	140,000	190,000	190,000
Total Beginning Balance	<u>\$ 196,957</u>	<u>\$ 272,602</u>	<u>\$ 256,480</u>
Receipts:			
Revenue Estimate.....	\$ 926,813	\$ 912,437	\$ 928,778
Prior Year Lapses.....	32,869	21,208	0
Total Receipts	<u>\$ 959,682</u>	<u>\$ 933,645</u>	<u>\$ 928,778</u>
Funds Available	<u>\$ 1,156,639</u>	<u>\$ 1,206,247</u>	<u>\$ 1,185,258</u>
Expenditures:			
Appropriated.....	\$ 847,184	\$ 949,767	\$ 967,810
Less Current Year Lapses.....	36,853	0	0
Estimated Expenditures	<u>-884,037</u>	<u>-949,767</u>	<u>-967,810</u>
Reserve for Current Year.....	\$ -190,000	\$ -190,000	\$ -190,000
Ending Balance	<u><u>\$ 82,602</u></u>	<u><u>\$ 66,480</u></u>	<u><u>\$ 27,448</u></u>

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Executive Offices			
General Government			
Ridership Verification.....	\$ 128	\$ 133	\$ 140
Treasury Department			
General Government			
Replacement Checks.....	\$ 11	\$ 100	\$ 100
Department of Aging			
General Government			
General Government Operations.....	\$ 4,788	\$ 5,796	\$ 5,912
Grants and Subsidies			
PENNCARE.....	\$ 174,745	\$ 181,397	\$ 186,786
Pharmaceutical Assistance Fund.....	237,000	260,000	260,000
Subtotal.....	\$ 411,745	\$ 441,397	\$ 446,786
TOTAL STATE FUNDS	\$ 416,533	\$ 447,193	\$ 452,698
Federal Funds.....	\$ 59,347	\$ 64,825	\$ 66,690
Augmentations.....	20	44	6
DEPARTMENT TOTAL.....	\$ 475,900	\$ 512,062	\$ 519,394
Department of General Services			
General Government			
Harristown Rental Charges.....	\$ 76	\$ 75	\$ 82
Harristown Utility and Municipal Charges.....	128	121	135
DEPARTMENT TOTAL.....	\$ 204	\$ 196	\$ 217
Department of Revenue			
General Government			
General Operations.....	\$ 50,997	\$ 48,460	\$ 45,215
On-line Vendor Commissions.....	22,260	28,363	36,698
Instant Vendor Commissions.....	10,951	10,162	9,982
Personal Income Tax for Lottery Prizes.....	23,520	24,416	24,529
Payment of Prize Money.....	165,928	184,417	198,105
Subtotal.....	\$ 273,656	\$ 295,818	\$ 314,529
Grants and Subsidies			
Property Tax and Rent Assistance for Older Pennsylvanians.....	\$ 83,457	\$ 83,300	\$ 80,000
TOTAL STATE FUNDS	\$ 357,113	\$ 379,118	\$ 394,529
Augmentations.....	\$ 5,067	\$ 5,363	\$ 280
DEPARTMENT TOTAL.....	\$ 362,180	\$ 384,481	\$ 394,809

Summary by Department (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Department of Transportation			
Grants and Subsidies			
Older Pennsylvanians Free Transit.....	\$ 53,987	\$ 61,957	\$ 57,000
Older Pennsylvanians Shared Rides.....	56,061	61,070	63,126
DEPARTMENT TOTAL.....	<u>\$ 110,048</u>	<u>\$ 123,027</u>	<u>\$ 120,126</u>
TOTAL STATE FUNDS.....	<u>\$ 884,037</u>	<u>\$ 949,767</u>	<u>\$ 967,810</u>
Federal Funds.....	\$ 59,347	\$ 64,825	\$ 66,690
Other Funds.....	5,087	5,407	286
FUND TOTAL.....	<u>\$ 948,471</u>	<u>\$ 1,019,999</u>	<u>\$ 1,034,786</u>



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Collections.....	\$ 909,844	\$ 894,639	\$ 912,438	\$ 921,621	\$ 930,666	\$ 994,605	\$ 1,111,892
Capital Stock and.....							
Franchise Tax.....	-47	0	0	0	0	0	0
Miscellaneous Revenue.....	17,016	17,798	16,340	14,300	11,578	8,087	5,526
TOTAL LOTTERY FUND REVENUES.....	\$ 926,813	\$ 912,437	\$ 928,778	\$ 935,921	\$ 942,244	\$ 1,002,692	\$ 1,117,418

Revenue Sources

Net Lottery Collections

	Actual		Estimated
1992-93.....	\$ 800,309	1998-99.....	\$ 894,639
1993-94.....	797,097	1999-00.....	912,438
1994-95.....	848,265	2000-01.....	921,621
1995-96.....	841,404	2001-02.....	930,666
1996-97.....	856,428	2002-03.....	994,605
1997-98.....	909,844	2003-04.....	1,111,892

Net lottery collections consist of the proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$2,500 or less for the on-line games and prizes of \$100 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating five games. The "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November 1980, the "Cash 5" game introduced in April 1992, and the "Super Six" game introduced in September 1998, all utilize computer sales terminals located across the Commonwealth. The fifth game is the instant game which consists of variations of instant game tickets introduced at routine intervals during the year. Ticket prices are \$1 for "Cash 5" which consists of 1 play to pick 5 of 39 numbers, and "Super Six" which consists of three individual game plays to pick six of 69 numbers. "Daily Number" and "Big 4" game ticket prices range from \$.50 to \$5. The "Instant Game" ticket prices range from \$1 to \$5.

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

	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Ticket Sales.....	\$ 1,668,412	\$ 1,668,412	\$ 1,676,978	\$ 1,693,989	\$ 1,710,669	\$ 1,828,596	\$ 2,044,907
Commissions.....	-86,233	-86,208	-86,592	-87,470	-88,331	-94,424	-105,598
Field Paid Prizes.....	-672,335	-687,565	-677,948	-684,898	-691,672	-739,567	-827,417
NET LOTTERY COLLECTIONS.....	\$ 909,844	\$ 894,639	\$ 912,438	\$ 921,621	\$ 930,666	\$ 994,605	\$ 1,111,892

Revenue Sources (continued)

Capital Stock and Franchise Tax

Actual		Estimated	
1992-93.....	\$ 3,758	1998-99.....	\$ 0
1993-94.....	266	1999-00.....	0
1994-95.....	347	2000-01.....	0
1995-96.....	91	2001-02.....	0
1996-97.....	82	2002-03.....	0
1997-98.....	-47	2003-04.....	0

Tax Base and Rate: Act 22 of 1991 provided that the proceeds of one-quarter mill of the Capital Stock and Franchise tax for one taxable year that began during 1991 shall be transferred to the State Lottery Fund. Transfers, as determined by the Secretary of Revenue, shall be made by December 15 and June 15 of each year. See the description of the Capital Stock and Franchise Taxes in the General Fund Revenue Sources.

Miscellaneous Revenue

Actual		Estimated	
1992-93.....	\$ 11,638	1998-99.....	\$ 17,798
1993-94.....	2,894	1999-00.....	16,340
1994-95.....	5,111	2000-01.....	14,300
1995-96.....	6,259	2001-02.....	11,578
1996-97.....	15,524	2002-03.....	8,087
1997-98.....	17,016	2003-04.....	5,526

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

Revenue Detail

The following is a detailed list of all Lottery Fund revenues.

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Collections.....	\$ 909,844	\$ 894,639	\$ 912,438
Capital Stock and Franchise Taxes.....	-47	0	0
Miscellaneous.....	17,016	17,798	16,340
TOTAL LOTTERY FUND REVENUES.....	\$ 926,813	\$ 912,437	\$ 928,778



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 dealers.

Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance	\$ 1,737	\$ 1,809	\$ 1,461
Receipts:			
Revenue Estimate.....	\$ 2,307	\$ 2,312	\$ 2,295
Prior Year Lapses.....	72	0	0
Total Receipts.....	\$ 2,379	\$ 2,312	\$ 2,295
Funds Available	\$ 4,116	\$ 4,121	\$ 3,756
Expenditures:			
Appropriated.....	\$ 2,307	\$ 2,660	\$ 2,370
Estimated Expenditures.....	-2,307	-2,660	-2,370
Ending Balance	\$ 1,809	\$ 1,461	\$ 1,386

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 0	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees.....	0	5	5
DEPARTMENT TOTAL.....	\$ 0	\$ 10	\$ 10
Milk Marketing Board			
General Government			
General Operations.....	\$ 2,307	\$ 2,650	\$ 2,360
FUND TOTAL.....	\$ 2,307	\$ 2,660	\$ 2,370



REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2000-03 Estimated	2002-03 Estimated	2003-04 Estimated
Licenses and Fees.....	\$ 2,147	\$ 2,150	\$ 2,150	\$ 2,150	\$ 2,150	\$ 2,150	\$ 2,150
Fines and Penalties.....	4	4	4	4	4	4	4
Miscellaneous Revenue.....	156	158	141	141	141	141	141
TOTAL MILK MARKETING FUND REVENUES.....	\$ 2,307	\$ 2,312	\$ 2,295	\$ 2,295	\$ 2,295	\$ 2,295	\$ 2,295

Revenue Sources

Licenses and Fees

Actual		Estimated	
1992-93.....	\$ 2,053	1998-99.....	\$ 2,150
1993-94.....	2,070	1999-00.....	2,150
1994-95.....	2,047	2000-01.....	2,150
1995-96.....	2,139	2001-02.....	2,150
1996-97.....	2,007	2002-03.....	2,150
1997-98.....	2,147	2003-04.....	2,150

The Commonwealth receives revenues from licenses and fees collected annually by the Milk Marketing Board. A flat rate fee is based on the daily average number of pounds of milk handled by dealers and an additional fee, levied on milk for which the board fixes minimum prices, is based on the number of pounds of such milk sold by dealers. Additional license fees are for weighing and measuring permits, tester's certificates of proficiency, weigher's and sampler's certificates of proficiency and applications for examination. Act 135 of 1988 allows the Milk Marketing Board to set fees by regulation.

Fines and Penalties

Actual		Estimated	
1992-93.....	\$ 92	1998-99.....	\$ 4
1993-94.....	68	1999-00.....	4
1994-95.....	100	2000-01.....	4
1995-96.....	2	2001-02.....	4
1996-97.....	31	2002-03.....	4
1997-98.....	4	2003-04.....	4

The Commonwealth receives revenue in the form of fines and penalties collected from milk dealers and other persons convicted of violating the Milk Marketing Law.

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1992-93.....	\$ 37	1998-99.....	\$ 158
1993-94.....	61	1999-00.....	141
1994-95.....	119	2000-01.....	141
1995-96.....	152	2001-02.....	141
1996-97.....	148	2002-03.....	141
1997-98.....	156	2003-04.....	141

Miscellaneous revenues consist primarily of interest on securities and deposits, plus legal fees for transcripts of hearings.

Revenue Detail

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

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Licenses and Fees			
Milk Dealers Licenses.....	\$ 1,478	\$ 1,506	\$ 1,505
Milk Testers Certificate Fees.....	43	4	4
Milk Weighers Certificate Fees.....	30	29	29
Milk Tester and Weighers Examination Fees.....	4	3	4
Milk Haulers Licenses Fees.....	571	572	572
Milk Sub Dealers Licenses.....	1	15	16
Service Contract Fees.....	20	21	20
TOTAL.....	\$ 2,147	\$ 2,150	\$ 2,150
Fines and Penalties			
Milk Marketing Act Fines.....	\$ 4	\$ 4	\$ 4
Miscellaneous Revenues			
Interest on Securities.....	\$ 154	\$ 156	\$ 139
General Operations.....	2	2	2
TOTAL.....	\$ 156	\$ 158	\$ 141
TOTAL REVENUES.....	\$ 2,307	\$ 2,312	\$ 2,295



RACING FUND

The Racing Fund is a special revenue fund composed of monies received from taxes and license fees collected by the State Harness Racing Commission and the State Horse Racing Commission for the regulation of horse and harness racing. Any remaining balance is transferred to the General Fund in the subsequent fiscal year.



Financial Statement

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Beginning Balance.....	\$ 11,475	\$ 11,982	\$ 11,441
Receipts:			
Revenue Estimate.....	\$ 19,669	\$ 20,175	\$ 19,973
Prior Year Lapses.....	268	0	0
Total Receipts.....	\$ 19,937	\$ 20,175	\$ 19,973
Funds Available.....	\$ 31,412	\$ 32,157	\$ 31,414
Expenditures:			
Appropriated.....	\$ 19,430	\$ 20,716	\$ 20,674
Estimated Expenditures.....	-19,430	-20,716	-20,674
Ending Balance.....	\$ 11,982	\$ 11,441	\$ 10,740

Summary by Department

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Treasury Department			
General Government			
Replacement Checks.....	\$ 1	\$ 10	\$ 10
Department of Agriculture			
General Government			
State Racing Commissions.....	\$ 6,054	\$ 6,617	\$ 7,042
Equine Toxicology and Research Laboratory.....	1,539	1,727	1,788
Payments to Pennsylvania Fairs--Administration.....	157	172	177
Subtotal.....	\$ 7,750	\$ 8,516	\$ 9,007
Grants and Subsidies			
Transfer to the General Fund.....	\$ 11,475	\$ 11,981	\$ 11,441
DEPARTMENT TOTAL.....	\$ 19,225	\$ 20,497	\$ 20,448
Department of Revenue			
General Government			
Collections--Racing.....	\$ 204	\$ 209	\$ 216
FUND TOTAL.....	\$ 19,430	\$ 20,716	\$ 20,674

REVENUE SUMMARY

(Dollar Amounts in Thousands)

Five Year Revenue Projections

	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Tax Revenues.....	\$ 15,461	\$ 15,563	\$ 15,641	\$ 15,641	\$ 15,641	\$ 15,641	\$ 15,641
Licenses and Fees.....	426	445	447	447	447	447	447
Miscellaneous Revenue.....	3,782	4,167	3,885	3,885	3,885	3,885	3,885
TOTAL RACING FUND REVENUES.....	\$ 19,669	\$ 20,175	\$ 19,973	\$ 19,973	\$ 19,973	\$ 19,973	\$ 19,973

Revenue Sources

Tax Revenues

Actual		Estimated	
1992-93.....	\$ 5,463	1998-99.....	\$ 15,563
1993-94.....	8,918	1999-00.....	15,641
1994-95.....	11,709	2000-01.....	15,641
1995-96.....	13,336	2001-02.....	15,641
1996-97.....	14,783	2002-03.....	15,641
1997-98.....	15,461	2003-04.....	15,641

The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. Act 93 amended portions of the Race Horse Industry Reform Act. For licensed racing corporations annually conducting at least 100 days of racing or for two licensed corporations conducting their racing at the same facility with a minimum of 175 combined racing days, the previous sliding wagering tax rate was changed to 1.5 percent effective July 1, 1986, and thereafter. For licensed racing corporations not conducting the minimum number of racing days, the wagering rate was changed to 2.5 percent from July 1, 1984 to June 30, 1986, and 2 percent thereafter. In addition, a 0.7 percent wagering tax was imposed on exotic wagering.

Act 127 of 1988 permits off-track betting in the Commonwealth.

Licenses and Fees

Actual		Estimated	
1992-93.....	\$ 419	1998-99.....	\$ 445
1993-94.....	431	1999-00.....	447
1994-95.....	462	2000-01.....	447
1995-96.....	425	2001-02.....	447
1996-97.....	431	2002-03.....	447
1997-98.....	426	2003-04.....	447

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

Revenue Sources (continued)

Miscellaneous Revenue

Actual		Estimated	
1992-93.....	\$ 1,360	1998-99.....	\$ 4,167
1993-94.....	1,580	1999-00.....	3,885
1994-95.....	1,886	2000-01.....	3,885
1995-96.....	2,983	2001-02.....	3,885
1996-97.....	3,526	2002-03.....	3,885
1997-98.....	3,782	2003-04.....	3,885

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

Revenue Detail

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

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Estimate	1999-00 Budget
Tax Revenue			
State Admission Tax.....	\$ 156	\$ 172	\$ 160
Wagering Tax.....	14,138	14,251	14,000
Breakage Tax.....	1,167	1,140	1,481
TOTAL.....	\$ 15,461	\$ 15,563	\$ 15,641
Licenses and Fees			
License Fees.....	\$ 426	\$ 445	\$ 447
TOTAL.....	\$ 426	\$ 445	\$ 447
Miscellaneous Revenues			
Uncashed Tickets.....	\$ 3,118	\$ 3,575	\$ 3,300
Interest on Securities.....	654	590	579
Miscellaneous.....	8	1	1
Interest on Deposits.....	2	1	5
TOTAL.....	\$ 3,782	\$ 4,167	\$ 3,885
TOTAL REVENUES.....	\$ 19,669	\$ 20,175	\$ 19,973



Governor's Executive Budget

TAX
EXPENDITURES



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.

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 manufacturing exemption in the capital stock/franchise 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.

Therefore, the 1998-99 Governor's Executive Budget presents this tax expenditure analysis covering Commonwealth taxes with annual receipts of at least \$15 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, and
- (3) Allow for administration, legislative and public scrutiny and facilitate discussion on each tax expenditure's merits.

The following enhancements are contained in this budget analysis for tax expenditures as required by Act 180 of 1992:

- (1) Actual or estimated cost of administration of each tax expenditure, and
- (2) Actual or estimated number and description of benefiting taxpayers.

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, and
- (6) Is not an appropriation.



Tax Expenditure Analysis (continued)

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/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 which could be gained if the tax expenditure provision were to be rescinded. No attempt has been made to account for changes in taxpayer behavior which 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 which 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, and insurance companies (other than foreign fire/casualty insurance companies), as well as corporations doing business in Pennsylvania and subject to the corporate net income tax and the capital stock/franchise tax that engage in certain assistance programs in impoverished areas or contribute to neighborhood organizations which provide such activities. The credit is allowed for neighborhood assistance, job training or education for individuals, community services, economic development or crime prevention in an impoverished area. The program must be approved by the Secretary of Community and Economic Development. The credit available to a taxpayer equals up to 50 percent of the contribution to approved programs during the tax year, but may not exceed \$250,000. An expanded credit of 70 percent (maximum of \$350,000 per taxpayer) may be available for investments in certain priority programs defined by the Secretary of Community and Economic Development. The total amount of credits taken by all taxpayers can not exceed \$18,000,000 in fiscal year 1998-99 and later.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Net Income Tax						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0
	Capital Stock/Franchise Tax						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0
	Selective Business Taxes						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4

Beneficiaries: Approximately 1,550 companies doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

EMPLOYMENT INCENTIVE PAYMENTS

Authorization: Act of April 8, 1982 (P.L. 231, No. 75) as amended.

Description: Any bank, thrift institution, title insurance and trust company, or insurance company, as well as any corporation or person subject to the corporate net income tax or the personal income tax, employing persons formerly receiving welfare benefits may claim an employment incentive payment as credit against any tax liability in selected taxes. The credit is for a portion of wages paid to a qualifying employee in the first three years of employment. Employment incentive payment credits are available for employees hired up to December 31, 1999.

Purpose: This program provides tax relief to taxpayers that hire persons previously receiving aid to families with dependent children or classified as chronically or transitionally needy at the time of employment and reduces state aid payments to those individuals.

Administrative Costs: Costs to administer the Employment Incentive Payments credit program are borne by the Department of Public Welfare, Department of Labor & Industry and the Department of Revenue. Estimated costs for all departments total \$0.2 million per year.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Taxes						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.7	\$ 1.5	\$ 1.3
<i>Estimates:</i>	Personal Income Tax						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 200 companies doing business in Pennsylvania and 300 Pennsylvania personal income taxpayers benefit from this tax expenditure.

HOMEOWNERS' EMERGENCY MORTGAGE ASSISTANCE FUND

Authorization: Act of December 23, 1983 (P.L. 385, No. 91) as amended.

Description: A tax credit is available to any bank, thrift institution, title insurance and trust company, and insurance company (other than a foreign fire/casualty insurance company), as well as any corporation doing business in Pennsylvania and subject to the corporate net income tax, for amounts contributed to the Homeowner's Emergency Mortgage Assistance Fund.

Purpose: This credit encourages businesses to contribute to a fund established to prevent mortgage foreclosure and distress sale of a home resulting from circumstances beyond a homeowner's control.

Administrative Costs: Nominal

Estimates: There has been no application of credits during FY 1985-86 through FY 1997-98. Limited participation in this program is expected in the future.

Beneficiaries: NA

General Fund Tax Expenditures

JOB CREATION TAX CREDIT

Authorization: Act of June 29, 1996 (P.L. 434, No. 67) 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 and may be applied to the corporate net income tax, capital stock and franchise tax, gross premiums tax, gross receipts tax, bank and trust company shares tax, mutual thrift institution tax, title insurance company shares tax, personal income tax or any combination thereof. The total amount of funds for tax credits available in a year has been increased from \$15,000,000 to \$20,000,000 by Act 100 of 1998.

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

Administrative Costs: Costs to administer the Job Creation Tax 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 12.5	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0

Beneficiaries: Approximately 130 companies doing business in Pennsylvania benefit from this tax credit program.

RESEARCH AND DEVELOPMENT TAX CREDIT

Authorization: Act of May 7, 1997 (P.L. 85, No. 7).

Description: A research and development tax credit is available for performing qualified research in Pennsylvania. The credit equals 10 percent of the increase in qualified research expenses for the current taxable year over a base period. Total credits in any one fiscal year are capped at \$15 million with \$3 million of the total earmarked exclusively for small business. The credit may be applied against the corporate net income tax, capital stock and franchise tax, personal income tax or any combination thereof but may not exceed 50 percent of such qualified tax liability. Unused credits may be carried forward fifteen taxable years. Credits are available for tax years ending on or before December 31, 2004.

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 credits are borne by the Department of Revenue. These costs are estimated to be nominal.

(Dollar Amounts in Millions)

Estimates:	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0	\$ 15.0

Beneficiaries: Approximately 325 companies performing qualified research and development in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

KEYSTONE OPPORTUNITY ZONE

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

Description: Economic activity in a defined geographic area of deteriorated property designated by the Department of Community and Economic Development to be a keystone opportunity zone is exempt from all local and certain state taxes for a maximum of twelve years beginning January 1, 1999. In addition to benefiting from a limited sales and use tax exemption, zone residents and qualified businesses are exempt from the corporation and personal income taxes. The tax expenditure is the value of all state taxes waived within the zone.

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

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	--	\$ 5.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0	\$ 10.0

Beneficiaries: Qualified businesses and residents of the 12 Keystone Opportunity Zones designated within this Commonwealth benefit from this tax expenditure.

CORPORATION TAXES

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	Corporate Net Income Tax and Capital Stock/Franchise Tax						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.8	\$ 2.9	\$ 3.0	\$ 3.1	\$ 3.2	\$ 3.3	\$ 3.4
	Selective Business Taxes						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</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.

The corporate net income tax expenditures listed below do not include any deductions, exemptions or types of special treatment which are reflected in line 28 on the federal IRS form 1120 and are not modified or adjusted by Pennsylvania statute.

DIVIDENDS PAID

Description: A public utility is allowed a deduction for dividends paid on non-participating cumulative preferred stock issued before October 1, 1942.

Purpose: This special deduction is pursuant to IRC section 247 which retains the dividend deduction that was in effect at the time of the change in the federal code in 1942. It provides tax relief to public utilities and also benefits customers to the extent it is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3

Beneficiaries: A minimal number of public utilities 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.

Unused loss carryovers for the years 1988 through 1993, which were suspended by Act 22 of 1991, are authorized to be claimed in tax years beginning in 1995. The total loss deduction is capped at \$1,000,000 per year per taxpayer beginning in tax year 1996. Loss deductions from tax years 1988 through 1994, in the aggregate, remain capped at \$500,000 per year per taxpayer. Suspended losses from 1988 through 1994 can be used variously against 1995 through 1997 tax years. Act 45 of 1998 increased the three year carryforward period to ten years. Net losses from tax years 1995 and thereafter may be carried forward ten tax years. This act provides a phase-in schedule of net loss deductions. A ten-year carryforward is first fully available in tax year 2005.

Purpose: This deduction reduces the tax burden for a period of time after an operating loss period thereby aiding a corporation which has returned to economic viability as measured by taxable income. This deduction encourages corporate investment in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 156.4	\$ 146.0	\$ 133.1	\$ 128.3	\$129.3	\$ 131.5	\$ 159.1

Beneficiaries: Approximately 37,000 businesses per year benefit from this tax expenditure.



General Fund Tax Expenditures

DOUBLE-WEIGHTED SALES FACTOR

Description: Beginning in tax year 1995, corporations must apportion their net income using a three-factor formula (payroll, property and sales) that double-weights the sales factor. The sales factor in the numerator of the CNI apportionment formula is multiplied by two and the denominator is four.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 48.3	\$ 48.5	\$ 47.5	\$ 45.8	\$ 45.7	\$ 47.2	\$ 48.5

Beneficiaries: Approximately 5,600 corporations operating in Pennsylvania benefit from this tax expenditure.

NONPROFIT CORPORATIONS

Description: Nonprofit corporations are exempt from the corporate net income tax. Act 7 of 1997 provides 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. Additionally, any automobile club organized as a not-for-profit entity may exempt the income derived from automobile club activities. The estimates below are based on unrelated business income taxable by the federal government.

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

(Dollar Amounts in Millions)

Estimates:	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 4.8	\$ 6.4	\$ 7.0	\$ 7.8	\$ 8.9	\$ 9.9	\$ 11.2

Beneficiaries: Approximately 800 nonprofit corporations operating in Pennsylvania with unrelated business income benefit from this tax expenditure.

General Fund Tax Expenditures

PENNSYLVANIA S CORPORATIONS

Description: Corporations that have a valid Pennsylvania S corporation election in effect for the taxable year are exempt from the corporate net income tax. However, Pennsylvania S corporation shareholders must include their distributive share of Pennsylvania S corporation income for Pennsylvania personal 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 under the corporate net income tax. Act 7 of 1997 conforms to the federal Small Business Job Protection Act of 1996 by allowing an increase in the number of shareholders from 35 to 75, effective January 1, 1997. Act 7 also permitted S corporations to have qualified subsidiaries. The subsidiary can be either an S or a C corporation.

Purpose: S corporations are often small, closely-held corporations and are believed to be major job creators. This exemption provides an incentive for their existence within the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 449.9	\$ 468.3	\$ 436.2	\$ 396.2	\$ 395.0	\$ 413.7	\$ 432.4

Beneficiaries: Approximately 80,000 sub-chapter 'S' corporations doing business in Pennsylvania could benefit from this tax expenditure.

LIMITED LIABILITY COMPANIES (LLCs)

Description: 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 corporate net income tax. Owners of the LLC must include their share of corporate income for Pennsylvania personal income tax purposes. The tax expenditure is the difference between what is paid by the owners under the personal income tax and what the LLCs would have paid under the corporate net income tax.

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. By taxing LLCs at the personal income tax rate, Pennsylvania is a more attractive place for these new companies.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 7.2	\$ 30.9	\$ 65.3	\$ 104.6	\$ 123.6	\$ 140.8	\$ 154.6

Beneficiaries: Approximately 6,000 companies doing business in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

COMMERCIAL PRINTERS

Description: The mere usage of commercial printer services in Pennsylvania by an out-of-state entity does not create nexus for maintaining a place of business in Pennsylvania.

Purpose: The higher nexus standard ensures that Pennsylvania commercial printers will not lose business due to a concern of the out-of-state customer that he may be subject to Pennsylvania taxation only for such a printing contract.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: A minimal number of corporate taxpayers benefit from 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 federal FICA (Federal Insurance Contributions Act) tax on employees' tips.

Purpose: This deduction corrects for a change in federal law. In 1993, a credit was created in the Internal Revenue Code. Taxpayers taking the credit may not also take a deduction for the amount of FICA tax on employees' tips. Pennsylvania does not permit the credit and instead allows this additional deduction from federal taxable income.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1

Beneficiaries: Approximately 2,565 eating and drinking establishments could benefit from this tax expenditure.

CAPITAL STOCK/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 and franchise taxes are 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 \$125,000. Beginning with the 1998 tax year the tax rate is 11.99 mills, with 0.5 mills designated to the Hazardous Sites Cleanup Fund. The estimates in this analysis include only the 11.49 mills General Fund portion of the tax. Act 22 of 1991 established a minimum tax of \$300 for tax years beginning in 1991 and thereafter.

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.

General Fund Tax Expenditures

NONPROFIT CORPORATIONS

Description: Nonprofit corporations are exempt from the capital stock/franchise tax. Act 7 of 1997 provides 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. Additionally, any automobile club organized as a not-for-profit entity may exempt the value attributed to automobile club activities. The estimates below are based on unrelated business income taxable by the federal government.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 5.7	\$ 7.0	\$ 7.1	\$ 7.5	\$ 7.8	\$ 8.2	\$ 8.5

Beneficiaries: Approximately 1,800 nonprofit corporations benefit from this tax expenditure.

FAMILY FARM CORPORATIONS

Description: Family farm corporations are exempt from the capital stock/franchise tax. A family farm corporation is one which 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 defines LLCs and business trusts to be corporations for capital stock/franchise tax purposes. As a result, LLCs and business trusts are eligible for the family farm exemption, if appropriate.

Purpose: This exemption provides tax relief to family farm corporations thereby recognizing the importance of family-owned farms.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.2

Beneficiaries: Approximately 400 family farm corporations operating in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

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 or 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.

Purpose: This exemption encourages investment in manufacturing, processing, and research and development activities which improves the Commonwealth's economic position.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 560.1	\$ 580.6	\$ 595.3	\$ 611.4	\$ 628.4	\$ 645.4	\$ 662.6

Beneficiaries: Approximately 15,600 corporations operating in Pennsylvania benefit from this tax expenditure.

APPORTIONMENT FORMULA OPTIONS

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 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. These estimates measure the difference between the tax on capital stock value apportioned using three-factor apportionment for those corporations choosing the single-factor method and able to use the three-factor method.

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

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 38.2	\$ 39.7	\$ 40.9	\$ 42.3	\$ 43.9	\$ 44.9	\$ 46.3

Beneficiaries: Approximately 5,800 corporations doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

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/franchise tax. This exemption is reflected as an exclusion from the numerator of the single asset apportionment fraction or the numerator of the property factor when the three-factor apportionment formula is used. However, for manufacturing, processing, or research and development corporations these assets are included as exempt equipment and shown in the expenditure for assets used in manufacturing, processing, and research and development.

Purpose: This exemption provides tax relief to corporations required to install pollution control devices and encourages investment in pollution control assets.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 27.6	\$ 28.4	\$ 29.4	\$ 30.5	\$ 31.0	\$ 31.8	\$ 32.5

Beneficiaries: Approximately 15 companies doing business in Pennsylvania benefit from this tax expenditure.

DEDUCTION FROM THE FIXED FORMULA

Description: For tax years beginning in 1997 and thereafter, corporations may deduct \$125,000 from the capital stock value which is then subject to apportionment to determine the taxable base. 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 profits during their early years.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 62.2	\$ 65.0	\$ 67.8	\$ 70.5	\$ 73.3	\$ 76.2	\$ 79.3

Beneficiaries: Approximately 79,300 corporations doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

HOLDING COMPANIES

Description: Holding companies may elect, in lieu of a standard apportionment formula, a special apportionment formula which 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.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 16.1	\$ 17.0	\$ 17.8	\$ 18.7	\$ 19.6	\$ 20.6	\$ 21.5

Beneficiaries: Approximately 200 companies doing business in Pennsylvania benefit from this tax expenditure.

REGULATED INVESTMENT COMPANIES/REAL ESTATE INVESTMENT TRUSTS

Description: Regulated investment companies are subject to special valuation for capital stock/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/franchise tax. No cost estimate is available; therefore, the estimates below reflect the special valuation for capital stock/franchise tax for regulated investment companies only.

Purpose: Regulated investment companies are corporations which derive at least 90 percent of their income from dividends, interest, and gains on disposition of stock and securities. This special treatment provides tax relief to these companies thereby allowing them to earn higher rates of return on their investments which, in turn, are passed on to their shareholders. The higher earnings rates may result in higher investment in the economy which is channeled through these companies.

(Dollar Amounts in Millions)

Estimates:	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 44.1	\$ 46.1	\$ 47.4	\$ 49.6	\$ 51.9	\$ 54.2	\$ 56.7

Beneficiaries: Approximately 100 companies doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

COMMERCIAL PRINTERS

Description: The mere usage of commercial printer services in Pennsylvania by an out-of-state entity does not create nexus for maintaining a place of business in Pennsylvania.

Purpose: The higher nexus standard ensures that Pennsylvania commercial printers will not lose business due to a concern of the out-of-state customer that he may be subject to Pennsylvania taxation only for such a printing contract.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

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

LIMITED LIABILITY COMPANIES: (LLCs)

Description: Limited Liability Companies (LLCs) and Restricted Professional Companies (RPCs) are hybrid business entities that combine the corporate characteristic of limited liability for all owners (members) with the tax treatment of a partnership. RPCs are limited liability companies performing restricted professional services. Restricted professional services include chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine, podiatry medicine, public accounting, psychology and veterinary medicine. These types of business entities give members the protection of limited liability for the neglect of another member. RPCs are exempt from the capital stock/franchise tax. However, an annual fee of \$300 per resident member is imposed under the Associations Code, \$25 of which is credited to the Corporation Bureau's restricted account. LLCs generally are subject to the tax. However, for the fixed formula valuation, the net worth of a limited liability company is defined as an entity's assets minus its liabilities as of the close of the tax year, and average net income is calculated by allowing a reduction in the income or loss in any given year for distributions to materially participating members.

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. By taxing LLCs at the personal income tax rate, Pennsylvania is a more attractive place for these new companies.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 6,000 companies doing business in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

EXEMPTION FOR STUDENT LOAN ASSETS

Authorization: Act of April 23, 1998 (P.L. 239, No. 45).

Description: Student loan related assets that are owned or held by a trust or other entity formed for the securitization of student loans are exempt from capital stock/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/franchise tax to conform with the Commonwealth public policy in promoting higher education

Administrative Costs: NA

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: A minimal number of business trusts and other entities formed for the securitization of student loan assets are the beneficiaries of this tax expenditure.

UTILITY GROSS RECEIPTS TAX

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

The utilities 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; gas companies; and electric light, water power and hydroelectric energy companies. Certain companies are entitled to exemptions.

A tax is levied at 50 mills on gross receipts from passengers, baggage, freight and oil transported within the state; sales of gas by regulated utilities; telephone and telegraph messages transmitted within the state; and at 44 mills on sales of electric energy. The 44 mill tax rate on sales of electric energy is subject to change based on the revenue neutral reconciliation (RNR) tax rate calculated pursuant to Act 138 of 1996, which governs the restructuring of the electric utility industry in Pennsylvania.

Motor carrier vehicles engaged in carrying property for hire are not taxed under the provisions of the Tax Reform Code of 1971, but were subject to the motor carriers gross receipts tax imposed by the Act of June 22, 1931. (P.L. 694, No. 255). However, this tax was repealed effective January 1, 1998.

LIQUEFIED PETROLEUM GAS

Description: The gross receipts of gas companies that sell liquefied petroleum gas are exempt from the gross receipts tax.

Purpose: This tax relief encourages the use of liquefied petroleum gas. It also benefits customers to the extent that the tax relief is reflected through lower prices.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.7	\$ 0.7	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: 12 gas companies operating in the Commonwealth benefit from this tax expenditure.

General Fund Tax Expenditures

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.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 35.8	\$ 32.3	\$ 30.2	\$ 33.3	\$ 32.9	\$ 33.1	\$ 33.4

Beneficiaries: The 33 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 40 electric suppliers could potentially benefit from this tax expenditure.

ELECTRIC COOPERATIVES

Description: Gross receipts of electric cooperatives are exempt from the utility gross receipts tax.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 9.5	\$ 9.6	\$ 9.5	\$ 9.8	\$ 9.9	\$ 10.0	\$ 10.1

Beneficiaries: There are 13 cooperatives in the Commonwealth that benefit from this tax expenditure.



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.

This tax is levied at the rate of 30 mills (with an additional 12 mills for the Public Transportation Assistance Fund beginning in 1991) on each dollar of "state taxable value" of utility realty at the end of the preceding calendar year. The taxable value is the cost of utility realty less reserves for depreciation and depletion. Certain utility property is exempt from the tax. The estimates in this portion of the analysis include only the 30 mill tax. The 12 mill portion of the tax is shown under the public transportation assistance fund.

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.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 10.1	\$ 10.3	\$ 10.2	\$ 10.3	\$ 10.4	\$ 10.4	\$ 10.5

Beneficiaries: The 447 public utilities could benefit from this tax expenditure.

MACHINERY AND EQUIPMENT

Description: Machinery and equipment, regardless of whether it is housed within included property, is excluded from the PURTA base.

Purpose: PURTA is intended as a tax on land and attached structures. The exemption of business personalty encourages investment in machinery and equipment so that efficient utility service may be provided. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 719.3	\$ 730.3	\$ 729.3	\$ 734.3	\$ 737.9	\$ 741.6	\$ 745.3

Beneficiaries: The 447 public utilities could benefit from this tax expenditure.

General Fund Tax Expenditures

EASEMENTS

Description: Easements or similar interests are excluded from the PURTA base. An easement is an interest in land owned by another entity which 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 8.3	\$ 9.0	\$ 9.1	\$ 9.1	\$ 9.2	\$ 9.2	\$ 9.3

Beneficiaries: The 447 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 which benefits the economy.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 20.8	\$ 21.1	\$ 21.1	\$ 21.3	\$ 21.4	\$ 21.5	\$ 21.6

Beneficiaries: The 69 railroad public utilities could benefit from this tax expenditure.

LINES

Description: Pole, transmission tower, pipe, rail or other lines, regardless of whether they are attached to the land or other included property, are excluded from the PURTA base.

Purpose: This exemption encourages investment in transmission facilities necessary for universal service to all consumers. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 258.3	\$ 262.2	\$ 261.9	\$ 263.7	\$ 265.0	\$ 266.3	\$ 267.6

Beneficiaries: The 447 public utilities could benefit from this tax expenditure.

General Fund Tax Expenditures

HYDROELECTRIC PROPERTY

Description: All land and other property first used after July 1, 1983, to furnish hydroelectric power is excluded from the PURTA base. This exemption commences in the first year in which the land and property is used to furnish hydroelectric power and energy and remains in effect for a period of ten years.

Purpose: This exemption encourages investment in hydroelectric power as an alternative form of energy. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: No known new hydroelectric facilities are currently operating or expected to be online in the near future.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 18.3	\$ 18.6	\$ 18.6	\$ 18.7	\$ 18.8	\$ 18.9	\$ 19.0

Beneficiaries: The 90 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 11.3	\$ 11.5	\$ 11.5	\$ 11.5	\$ 11.6	\$ 11.7	\$ 11.8

Beneficiaries: The 474 municipal authorities and the 33 municipal public utilities 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 insurance companies are exempt from the tax.

The tax is levied on gross premiums received from business done within Pennsylvania during each calendar year. A retaliatory tax is also imposed on taxable insurance companies incorporated in other states that impose a higher burden on Pennsylvania companies doing business there.

The basic tax rate is 2 percent of gross premiums plus any retaliatory tax. A 3 percent rate is imposed on insurance premiums for policies written with unlicensed insurers by a surplus lines agent. Marine insurance companies are subject to a 5 percent tax on their underwriting profits in lieu of the insurance premiums tax.

The estimates in this analysis include the full amount of revenues and the retaliatory charges that would be received from affected insurance companies.

MUTUAL BENEFICIAL ASSOCIATIONS

Description: Purely mutual beneficial associations, whose funds benefit members, families or heirs and are made up entirely of member contributions and accumulated interest, are exempt from the insurance premiums tax. For 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 6.9	\$ 7.6	\$ 8.1	\$ 8.3	\$ 8.5	\$ 8.9	\$ 9.3

Beneficiaries: The 83 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, Good Vision Plan, Inc., Medical Service Association of Pennsylvania (Blue Shield), Pennsylvania Dental Service Corp., and Vision Service Plan of Pennsylvania.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 185.1	\$ 165.3	\$ 195.6	\$ 209.1	\$ 224.9	\$ 241.2	\$ 258.5

Beneficiaries: The 17 nonprofit hospital and medical care service organizations doing business in Pennsylvania benefit from this tax expenditure.

General Fund Tax Expenditures

EXTRAORDINARY MEDICAL BENEFIT

Description: An exemption is allowed for any premiums written after June 1, 1989, by automobile insurance companies for optional extraordinary medical benefit coverage from \$100,000 to \$1,100,000.

Purpose: This exemption benefits private insurance companies that are required to provide the extraordinary medical coverage as a result of the repeal of Pennsylvania's Catastrophic Loss Trust Fund. This exemption also indirectly benefits subscribers to the extent that it is reflected in reduced premiums.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.3

Beneficiaries: The 502 automobile insurance companies doing 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 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 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 a tax credit. This credit also provides indirect relief to subscribers to the extent that lower premium rates are maintained.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 36.9	\$ 32.1	\$ 31.4	\$ 25.1	\$ 14.0	\$ 18.8	\$ 23.6

Beneficiaries: Approximately 636 life and accident and health insurance companies doing business in Pennsylvania may benefit from this tax expenditure.

BANK AND TRUST COMPANY SHARES TAX

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

The bank and trust company shares tax is imposed on every bank and trust company having capital stock and doing business in Pennsylvania.

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

The bank and trust company shares tax contains no expenditures as defined for this tax expenditure analysis.

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 principals 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.5	\$ 2.6	\$ 2.8	\$ 3.0	\$ 3.4	\$ 3.7	\$ 4.0

Beneficiaries: The 230 mutual thrift companies may 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 15.4	\$ 17.3	\$ 19.5	\$ 21.9	\$ 24.7	\$ 27.8	\$ 30.8

Beneficiaries: The 898 state and federal credit unions operating in Pennsylvania benefit from this tax expenditure.



General Fund Tax Expenditures

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 can not be separately identified. Tax expenditures are a significant factor associated with the need for more and the increased complexity of compliance audits. These audits contribute significantly to the volume of appeals processed by the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 10.5	\$ 10.6	\$ 10.8	\$ 10.9	\$ 11.1	\$ 11.5	\$ 11.7

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: Food and beverages intended for human consumption purchased from a bakery, pastry shop, donut shop, delicatessen, grocery store, supermarket, farmer's market, convenience store or vending machine are exempt from taxation. Exceptions are 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. 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 use a disproportionate share of income on these products.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 956.9	\$ 997.3	\$1,011.8	\$1,028.8	\$1,050.2	\$1,072.9	\$1,092.3

Beneficiaries: Virtually all 4.7 million households benefit from this tax expenditure.

General Fund Tax Expenditures

CANDY AND GUM

Description: The sale at retail or use of candy and gum, regardless of where sold, is exempt from taxation.

Purpose: Candy and gum are considered to be food. Exempting candy and gum regardless of where sold provides for uniformity in the taxation of these items.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 32.5	\$ 33.4	\$ 33.9	\$ 34.5	\$ 35.2	\$ 36.0	\$ 36.6

Beneficiaries: NA

PERSONAL HYGIENE PRODUCTS

Description: The purchase at retail or use of disposable diapers, incontinence products, toilet paper, feminine hygiene products, toothpaste, toothbrushes or dental floss are exempt from taxation.

Purpose: These products are considered essential for maintaining a basic standard of life.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 39.0	\$ 40.3	\$ 41.6	\$ 43.0	\$ 44.5	\$ 46.2	\$ 47.9

Beneficiaries: Virtually all 4.7 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 which 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 the citizenry to be well informed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 24.5	\$ 25.7	\$ 27.0	\$ 28.3	\$ 29.7	\$ 31.1	\$ 32.7

Beneficiaries: NA



General Fund Tax Expenditures

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 the citizenry to be well informed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 12.9	\$ 13.8	\$ 14.7	\$ 15.7	\$ 16.6	\$ 17.7	\$ 18.9

Beneficiaries: Approximately 3.5 million households benefit from this tax expenditure.

CLOTHING AND FOOTWEAR

Description: The purchase at retail or use of wearing apparel, footwear and other articles of clothing worn on the human body is exempt from taxation. 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 use a disproportionate share of income purchasing these products.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 810.9	\$ 852.4	\$ 886.5	\$ 925.3	\$ 972.0	\$1,025.2	\$1,076.4

Beneficiaries: Virtually all 4.7 million households benefit from this tax expenditure.

AMUSEMENT DEVICES

Description: Expenditures to play amusement devices are not rentals and therefore not taxable. Examples of such devices are flipper games, video games, pool tables, soccer tables, arcade games and kiddie rides.

Purpose: These expenditures are considered to be payments for nontaxable services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 19.1	\$ 18.3	\$ 17.5	\$ 16.7	\$ 16.0	\$ 15.3	\$ 14.6

Beneficiaries: Approximately 1.8 million persons may benefit from this tax expenditure.

General Fund Tax Expenditures

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 life. This provision reduces the regressive nature of the tax and eases the tax burden on families who must spend a disproportionate share of income on these products.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 255.4	\$ 269.7	\$ 286.5	\$ 305.8	\$ 327.0	\$ 349.9	\$ 375.4

Beneficiaries: NA

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, eye washes 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 use a disproportionate share of income on these products.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 92.1	\$ 97.3	\$ 102.7	\$ 108.5	\$ 114.6	\$ 121.1	\$ 127.9

Beneficiaries: Virtually all 4.7 million households benefit from this tax expenditure.

LIQUOR OR MALT BEVERAGE PURCHASED FROM RETAIL DISPENSER

Description: Alcoholic beverages purchased in a drinking place or bar are exempt from taxation. Purchases from a state liquor store or a beer distributor are taxed, despite the wholesale nature of a portion of these sales. The estimates represent the difference in the tax that would be collected at the retail level and the tax presently collected on the bulk sale.

Purpose: Taxing container sales rather than per drink sales reduces overall administrative and reporting burdens for vendors and audit efforts by the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 131.6	\$ 135.7	\$ 138.7	\$ 141.7	\$ 145.3	\$ 149.2	\$ 153.1

Beneficiaries: Approximately 6 million people benefit from this tax expenditure.

General Fund Tax Expenditures

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 security in the event a container is not returned. For this reason, a true exchange of property is not considered to have occurred.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 8.4	\$ 8.7	\$ 9.1	\$ 9.5	\$ 9.9	\$ 10.4	\$ 10.9

Beneficiaries: Approximately 5.3 million consumers and 388,000 non-residential establishments benefit from this tax expenditure.

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)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 78,300 retailers benefit from this tax expenditure.

BIBLES, RELIGIOUS PUBLICATIONS, ARTICLES

Description: The purchase or use of religious publications sold by religious groups, bibles and similar works and religious articles is tax exempt.

Purpose: Religious materials could be perceived to provide a beneficial influence on the Commonwealth's citizenry through the dissemination of religious information. The estimates below relate only to the sale of bibles, testaments, hymnals and prayer books.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1

Beneficiaries: Approximately 170,000 households and a minimum of 18,000 organizations benefit from this tax expenditure.

General Fund Tax Expenditures

CASKETS AND BURIAL VAULTS

Description: The purchase or use of caskets, burial vaults, markers and tombstones to be used for human remains and graves 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 30.6	\$ 32.5	\$ 34.2	\$ 36.2	\$ 38.2	\$ 40.2	\$ 42.2

Beneficiaries: Approximately 106,000 households benefit from this tax expenditure.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3

Beneficiaries: Approximately 2.3 million households and numerous businesses and organizations benefit from this tax expenditure.

TEXTBOOKS

Description: The purchase or use of textbooks for use in schools, colleges and universities is exempt from taxation. The purchase must be on behalf of or through schools recognized by the Department of Education as institutions of learning.

Purpose: The education of the Commonwealth's citizenry 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 17.9	\$ 18.5	\$ 19.2	\$ 19.9	\$ 20.5	\$ 21.3	\$ 22.0

Beneficiaries: Approximately 568,000 college students, 501 public school districts and 2,464 private schools benefit from this tax expenditure.

General Fund Tax Expenditures

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 mailing lists.

Purpose: The purchase of these items may be perceived as an information service because the tangible nature of the document is incidental to the information being provided.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 34.3	\$ 49.5	\$ 51.2	\$ 53.0	\$ 54.8	\$ 56.7	\$ 58.6

Beneficiaries: NA

FOOD STAMP PURCHASES

Description: The purchase at retail or use of tangible personal property in accordance with the federal Food Stamp Act of 1977 is exempt from taxation. Primarily, exempt items are soft drinks, certain drink mixes, vegetable and fruit seeds and plants, and certain prepared cold foods.

Purpose: This provision is mandated by federal law for continued state participation in the federally funded food stamp program.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.7	\$ 2.5	\$ 2.4	\$ 2.2	\$ 2.1	\$ 2.0	\$ 1.9

Beneficiaries: Approximately 368,000 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 accompanying non-taxable services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 42.6	\$ 44.3	\$ 46.0	\$ 47.8	\$ 49.7	\$ 51.6	\$ 53.6

Beneficiaries: Approximately 3.3 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 his own residential use. Encouragement of coal consumption may have been perceived as providing or preserving employment when mining was a major employer within the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 116.6	\$ 114.3	\$ 112.0	\$ 109.8	\$ 107.6	\$ 105.5	\$ 103.4

Beneficiaries: Approximately 220,000 households and 14,000 non-residential establishments benefit from this tax expenditure.

FIREWOOD

Description: The purchase or use of firewood cut into lengths for burning and used as fuel for cooking or for heating water or residential dwellings is exempt from taxation.

Purpose: Alternative energy sources such as heating oil, natural gas, coal and electricity are exempt when used for residential purposes. The extension of this exemption to firewood provides consistency among all major energy sources.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 400,000 households, which use firewood as their primary heat source, benefit from this tax expenditure. Also, there are over 1.4 million households with usable fireplaces which may benefit from this tax expenditure.

General Fund Tax Expenditures

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 use a disproportionate share of income on these services.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Electric:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 256.2	\$ 256.2	\$ 269.9	\$ 279.8	\$ 289.8	\$ 299.4	\$ 310.2
	Fuel Oil/Gas:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 183.6	\$ 179.7	\$ 180.5	\$ 183.0	\$ 185.9	\$ 189.4	\$ 192.9
	Telephone:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 110.1	\$ 118.6	\$ 123.7	\$ 129.3	\$ 135.4	\$ 142.6	\$ 150.3

Beneficiaries: Approximately 4.5 million households (electricity), 3.6 million households (fuel oil/gas) and 4.4 million households (telephone) benefit from this tax expenditure.

WATER

Description: The purchase at retail or use of water or ice 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 use a disproportionate share of income on this product.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 125.3	\$ 136.2	\$ 145.2	\$ 152.2	\$ 159.1	\$ 167.1	\$ 175.9

Beneficiaries: Approximately 4.0 million households and about 230,000 businesses benefit from this tax expenditure.

General Fund Tax Expenditures

GASOLINE AND MOTOR FUELS

Description: The purchase or use of gasoline and other motor fuels, taxed under the Liquid Fuels and Fuels Tax Act, is exempt from the sales and use tax.

Purpose: Because these items are already subject to fuels taxes, the legislature has provided for their exemption from the sales and use tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 457.6	\$ 458.9	\$ 452.6	\$ 455.9	\$ 459.1	\$ 462.4	\$ 465.7

Beneficiaries: Approximately 4.1 million households and owners of more than 1.8 million heavy trucks, buses, etc., benefit from this tax expenditure.

MOTOR VEHICLES / VESSELS

COMMON CARRIERS

Description: Vehicles purchased by a public utility, engaged in business as a common carrier, to be used in rendering utility services are exempt from taxation. Also, because of the provisions of the Federal Aviation Act, effective January 1, 1995, contract carriers are considered to be 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 which are considered to be basic necessities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 208.1	\$ 214.7	\$ 221.4	\$ 228.4	\$ 235.6	\$ 243.0	\$ 250.7

Beneficiaries: Approximately 3,110 common carriers could benefit from this tax expenditure.

COMMERCIAL VESSELS (Construction)

Description: The purchase or use of commercial vessels of fifty tons or larger is exempt from taxation if delivery is taken in Pennsylvania.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania shipbuilders at a competitive disadvantage relative to those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1

Beneficiaries: NA

General Fund Tax Expenditures

COMMERCIAL VESSELS (Repair)

Description: Property or services purchased or used in building, rebuilding, repairing and making additions to or replacements in commercial vessels of fifty tons or more are exempt from taxation.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania ship repair facilities at a competitive disadvantage relative to those states allowing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.7

Beneficiaries: Approximately 12 establishments may benefit from this tax expenditure.

COMMERCIAL VESSELS (Equipment, Maintenance)

Description: The purchase or use of fuel, supplies, equipment, ships' or sea stores and cleaning or maintenance supplies is exempt from taxation. This exemption applies to vessels of fifty tons or more designed for commercial use.

Purpose: Imposition of the tax at the point of sale would place Pennsylvania vendors at a competitive disadvantage relative to those vendors operating in other states which allow this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

MOTOR VEHICLES (Out-of-State Purchasers)

Description: The purchase or use of a motor vehicle by a non-resident, to be used outside Pennsylvania, which is registered in another state within twenty days of delivery is exempt from taxation. Delivery must be taken outside of Pennsylvania.

Purpose: The exemption protects the participation of Pennsylvania car dealers in the out-of-state market while preventing potential abuses of such an exemption by Pennsylvania residents.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

SCHOOL BUSES

Description: The purchase at retail or use of school buses is exempt from taxation. These buses must be used exclusively for the transportation of children for school purposes. The provision is extended to persons who have contracts with school districts to transport children.

Purpose: The costs of transporting school children are directly borne by school districts and indirectly by state government through subsidy programs. This exemption, while limiting state sales and use tax revenues, also decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 17.8	\$ 18.8	\$ 19.9	\$ 21.1	\$ 22.3	\$ 23.7	\$ 25.0

Beneficiaries: Approximately 900 private contractors and 501 school districts benefit from this tax expenditure.

ZERO EMISSION VEHICLES

Description: The net purchase price of electric, hybrid electric and zero emission vehicles is exempt from taxation. Net purchase price is the difference between the purchase price of such vehicle and the average retail price of a comparable combustion engine vehicle. The purchase of power units for such vehicles is also exempt. These exemptions expire December 31, 1999.

Purpose: This provision is intended to promote the use of reduced-pollution transportation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	--	--	--	--

Beneficiaries: A minimal number of consumers may benefit from this tax expenditure.

REAL ESTATE

REAL ESTATE

Description: A person constructing, repairing, or altering real estate, or applying or installing personal property as a repair or replacement part of real estate is not making a taxable "sale at retail." Also, the person obtaining such services is not making a taxable "use" of such personal property or services. Materials and supplies consumed by the persons providing these services are taxable.

Purpose: Generally, construction and repairs are nontaxable because they do not directly involve the sale or use of tangible personal property

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 593.2	\$ 605.5	\$ 601.1	\$ 602.0	\$ 604.8	\$ 607.1	\$ 612.3

Beneficiaries: Approximately 1.4 million households and owners of 105,000 non-residential buildings benefit from this tax expenditure.



PRODUCTION EXPENDITURES

MANUFACTURING EXEMPTION (Manufacture and Processing) _____

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in the manufacture and processing of personal property or remanufacture of certain motor vehicle parts. 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 or obtaining disinfecting or pest control services or building maintenance and cleaning services.

Purpose: Exemption of manufacturing equipment and supplies prevents the multiple taxation which could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 654.2	\$ 738.7	\$ 786.8	\$ 823.2	\$ 855.3	\$ 884.1	\$ 915.3

Beneficiaries: Approximately 28,800 manufacturers and an unknown number of processors and remanufacturers benefit from this tax expenditure.

MANUFACTURING EXEMPTION (Agriculture) _____

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies including utilities used directly or consumed in farming, dairying, horticulture, floriculture or aquaculture. Under Act 45 of 1998, farming includes the propagation and raising of horses to be used exclusively for commercial racing activities. 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 or obtaining disinfecting or pest control services or building maintenance and cleaning services.

Purpose: Exemption of agricultural equipment and supplies prevents the multiple taxation which could occur in the production of an agricultural commodity for sale and consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 131.2	\$ 148.2	\$ 157.8	\$ 165.1	\$ 171.6	\$ 177.3	\$ 183.6

Beneficiaries: Approximately 45,000 farm operators benefit from this tax expenditure.

General Fund Tax Expenditures

MANUFACTURING EXEMPTION (Public Utility)

Description: By law, "sale at retail" does not include, and therefore exempts, rendering services or the purchase or use of machinery, equipment and parts and supplies used directly or consumed 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 or 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 which could occur in providing the service. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 3,800 public utilities 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 which could occur in the production of a finished good for consumption. Were these items not exempt, this additional cost would be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.5	\$ 1.6	\$ 1.7	\$ 1.8	\$ 1.8	\$ 1.9	\$ 2.0

Beneficiaries: Approximately 78,000 entities benefit from this tax expenditure.

General Fund Tax Expenditures

COMMERCIAL MOTION PICTURES

Description: Tangible personal property used directly in the production of a feature-length commercial motion picture distributed to a national audience is exempt from taxation. This exemption does not apply to nonoperational activities or materials.

Purpose: Exemption of property used directly in producing a commercial motion picture provides an incentive for business to operate in Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7

Beneficiaries: Approximately 6 film companies annually benefit from this tax expenditure.

OTHER

COIN OPERATED FOOD AND BEVERAGE VENDING MACHINES

Description: The tax on food and beverages dispensed from coin operated vending machines is derived from total receipts collected from the machines rather than from the price of individual items sold.

Purpose: This provision eases reporting and administrative burdens on the vendor and reduces audit efforts required by the Department of Revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: As many as 1,500 vending machine operators may benefit from this tax expenditure.

HOTEL-PERMANENT RESIDENT

Description: An exemption is provided, under the hotel occupancy tax, for a person occupying or having the right to occupy a room in a hotel, inn, tourist home, lodging house, rooming house, summer camp, apartment hotel, resort lodging or cabin for 30 consecutive days or more. This exemption does not extend to prepared meals or other taxable items.

Purpose: Residency of this length is felt to approximate permanent dwelling rental, which is non-taxable as a basic necessity of life.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 4,000 persons benefit from this tax expenditure.

General Fund Tax Expenditures

COMMISSION

Description: A licensed vendor is permitted a 1% discount as a credit against the gross amount of tax collected provided that a tax return, with full payment due the department, is postmarked on or before the due date. Nearly all tax returns are due 20 days after the end of a collection period.

Purpose: This provision is intended to defray the vendor's cost of collecting and remitting the sales and use tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 47.8	\$ 49.0	\$ 50.2	\$ 51.4	\$ 52.8	\$ 54.5	\$ 56.6

Beneficiaries: Approximately 250,000 vendors benefit from this tax expenditure.

OUT-OF-STATE CREDIT

Description: A credit is allowed for the purchase of personal property or taxable services for use outside Pennsylvania equal to the sales tax paid in the applicable state. The state must grant substantially similar tax relief as provided by Pennsylvania.

Purpose: Allowing a credit for tax paid in another state prevents double taxation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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: Usually, tangible personal property taken as a trade-in is resold. Therefore, it is treated as a sale for resale.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 240.0	\$ 242.1	\$ 244.5	\$ 255.4	\$ 266.5	\$ 274.4	\$ 281.3

Beneficiaries: Approximately 80 purchasers of aircraft, 150,000 purchasers of computers, 6,200 purchasers of boats and 620,000 purchasers of cars and trucks annually benefit from this tax expenditure.

General Fund Tax Expenditures

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. These 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 which must be registered or licensed are not granted this exemption.

Purpose: The exclusion of isolated sales from taxation greatly reduces compliance and administration burdens for the seller and the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 74.4	\$ 77.3	\$ 80.7	\$ 85.5	\$ 89.1	\$ 93.1	\$ 97.2

Beneficiaries: NA

TEMPORARY USAGE

Description: Property purchased outside Pennsylvania by a nonresident and temporarily used in Pennsylvania for seven days or less or any length of time by a tourist or vacationer is exempt from taxation. If the property is consumed in the state it becomes taxable.

Purpose: Providing an exemption for temporary usage of taxable property in Pennsylvania does not discourage entry into the state by vacationers, tourists or others who attend or are involved in specific short term events or activities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

HORSES

Description: The sale of a horse is exempt from taxation if the seller is directed to deliver the horse to an out-of-state location. A horse may be temporarily delivered to a resident or agent prior to being delivered out-of-state.

Purpose: This exemption provides preferential treatment of horses relative to other tangible personal property by permitting temporary location in Pennsylvania before being delivered out-of-state.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.8	\$ 2.8

Beneficiaries: Approximately 1,600 Standard bred horse purchasers and an unknown number of purchasers of other types of horses benefit from this tax expenditure.

General Fund Tax Expenditures

YOUTH SPORTS PROGRAMS

Description: The purchase of food and beverages from nonprofit associations which support sports programs for participants aged 18 or younger or for persons with a physical or mental handicap regardless of age is exempt from taxation.

Purpose: The exemption of these items encourages such organizations to support programs which provide activities beneficial to young people and the handicapped.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

EXEMPT ORGANIZATIONS

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 which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Charitable Organizations:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 341.1	\$ 358.1	\$ 373.5	\$ 390.7	\$ 409.2	\$ 428.5	\$ 448.5
	Volunteer Fireman's Organizations:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 80.4	\$ 84.4	\$ 88.0	\$ 92.1	\$ 96.4	\$ 101.0	\$ 105.7
	Nonprofit Educational Institutions:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 107.4	\$ 112.7	\$ 117.5	\$ 123.0	\$ 128.8	\$ 134.9	\$ 141.2
	Religious Organizations:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 20.2	\$ 21.2	\$ 22.2	\$ 23.2	\$ 24.3	\$ 25.4	\$ 26.6

Beneficiaries: Currently, approximately 28,900 organizations benefit from this tax expenditure.

General Fund Tax Expenditures

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 for 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 291.6	\$ 307.3	\$ 314.1	\$ 321.0	\$ 328.0	\$ 335.2	\$ 342.6

Beneficiaries: Approximately 3,200 local governmental units benefit from this tax expenditure.

VETERANS' ORGANIZATIONS

Description: Act 96 of 1998 provides that the sale of tangible personal property or services to or for use by veteran organizations for benevolent, charitable or patriotic purposes is exempt from taxation. Certain machinery and equipment purchased for or used in construction contracts for veteran organizations is also exempt, whether purchased or used by a contractor or the veteran organization. Purchases of alcoholic beverages remain taxable.

Purpose: These organizations provide patriotic and charitable services. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

Estimates:	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	\$ 1.1	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.9

Beneficiaries: Approximately 2,700 organizations 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 which most closely approximates current taxable value.

(Dollar Amounts in Millions)

Estimates:	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

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 being imposed when a person moves to Pennsylvania.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

RAIL TRANSPORTATION EQUIPMENT

Description: The purchase or use of rail transportation equipment by a business, other than a utility, in the movement of its own personal property is exempt from taxation.

Purpose: Exemption of rail equipment provides preferential treatment benefiting specific users of this transportation mode. Were these items not exempt, this additional cost may be passed through to the ultimate consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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 which raise fish ultimately destined for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: The 156 cooperative nurseries and an unknown number of other entities benefit from this tax expenditure.



General Fund Tax Expenditures

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 which receive state grants reduces the cost of performing promotional activities. The need for direct support to these agencies is decreased by providing this exemption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5

Beneficiaries: All 50 tourist promotion agencies benefit from this tax expenditure.

TROUT

Description: The purchase or use of brook trout, brown trout or rainbow trout is exempt from taxation.

Purpose: Special treatment is conferred to those involved in the raising or sale of trout ultimately destined for human consumption.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: Less than 60 entities benefit from this tax expenditure.

CONSTRUCTION OF MEMORIALS

Description: The purchase or use of materials used in the construction or erection of objects commemorating or memorializing historical events is exempt from taxation. These objects must be purchased by not-for-profit organizations and erected on publicly owned property.

Purpose: This exemption has been provided because these memorials are presumably erected for public benefit and gratification.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: NA

General Fund Tax Expenditures

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 to be an integral part of the production and distribution of tangible personal property.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 15.0	\$ 15.7	\$ 16.4	\$ 17.2	\$ 18.0	\$ 18.8	\$ 19.7

Beneficiaries: NA

PUBLIC TRANSPORTATION (Local)

Description: Expenditures for public transportation fares are not taxable.

Purpose: State and local governments are primary financial contributors to public transportation systems. Taxing these services would be contrary to public policy of supporting public transportation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 29.2	\$ 30.6	\$ 32.0	\$ 33.5	\$ 35.1	\$ 36.9	\$ 38.8

Beneficiaries: Approximately 2.7 million people benefit from this tax expenditure.

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 which prevents them from ascending or descending stairs. This exemption reduces the regressive nature of the tax and eases the tax burden on people requiring the devices.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: Approximately 450,000 disabled persons could 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>	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
LODGING							
Trailer parks and camps	\$ 10.0	\$ 10.9	\$ 11.9	\$ 13.0	\$ 14.2	\$ 15.5	\$ 16.9
PERSONAL SERVICES							
Cleaning, storage & repair of clothing & shoes ⁽¹⁾	\$ 7.2	\$ 7.6	\$ 8.0	\$ 8.4	\$ 8.9	\$ 9.3	\$ 9.8
Dry-cleaning ⁽¹⁾	18.0	18.9	19.7	20.6	21.6	22.5	23.6
Barber and beauty shops	40.7	42.3	44.0	45.8	47.7	49.6	51.6
Funeral parlors and crematories	31.6	33.2	35.0	36.8	38.8	40.8	43.0
All other personal services	17.1	17.8	18.6	19.4	20.3	21.2	22.1
BUSINESS SERVICES							
Advertising (local)	\$ 342.2	\$ 362.6	\$ 384.4	\$ 407.5	\$ 432.0	\$ 458.0	\$ 485.6
Interior office building cleaning	26.6	28.4	30.3	32.4	34.6	37.0	39.5
Management, consulting & public relations	272.2	297.5	325.3	355.6	388.8	425.1	464.7
Research	59.7	63.6	67.8	72.2	76.9	82.0	87.4
Detective agencies	31.1	33.3	35.7	38.3	41.0	44.0	47.1
COMPUTER SERVICES							
Computer and data processing	\$ 188.1	\$ 212.0	\$ 238.9	\$ 269.30	\$ 303.5	\$ 342.0	\$ 385.4
AUTOMOTIVE SERVICES							
Automobile parking	\$ 18.6	\$ 20.4	\$ 22.3	\$ 24.4	\$ 26.7	\$ 29.2	\$ 32.0
RECREATION SERVICES							
Commercial sports admissions	\$ 81.0	\$ 85.6	\$ 90.4	\$ 95.5	\$ 100.9	\$ 106.7	\$ 112.7
Entertainers	11.8	12.5	13.4	14.2	15.2	16.2	17.2
Memberships	12.7	13.6	14.5	15.5	16.6	17.8	19.0
Other admissions	59.7	64.3	69.4	74.8	80.6	86.8	93.6
HEALTH SERVICES							
Health, except hospitals, physicians and dentists	\$ 414.6	\$ 447.1	\$ 482.1	\$ 519.9	\$ 560.7	\$ 604.6	\$ 652.0
Hospitals	862.1	910.6	967.1	1,032.3	1,103.8	1,181.2	1,267.2
Physician office services	482.5	506.0	530.8	556.7	583.9	612.4	642.4
Dental office services	143.7	155.2	167.5	180.8	195.2	210.7	227.5
PROFESSIONAL SERVICES							
Legal	\$ 281.1	\$ 284.3	\$ 287.6	\$ 291.0	\$ 294.4	\$ 297.8	\$ 301.2
Engineering	283.4	407.2	432.5	459.3	487.9	518.1	550.3
Surveying, architectural	61.2	66.8	73.0	79.8	87.2	95.3	104.9
Accounting, auditing and bookkeeping services	134.8	144.9	155.8	167.5	180.1	193.7	208.2
MISCELLANEOUS SERVICES							
Basic television ⁽¹⁾	\$ 56.6	\$ 58.3	\$ 60.8	\$ 63.7	\$ 67.0	\$ 70.8	\$ 74.7
Learned professions	NA	NA	NA	NA	NA	NA	NA
Electrical, plumbing, heating & air conditioning service fees	NA	NA	NA	NA	NA	NA	NA
Veterinary fees	35.3	36.3	37.8	39.7	41.8	44.1	46.5
Stockbroker fees	NA	NA	NA	NA	NA	NA	NA
Real estate agent fees	NA	NA	NA	NA	NA	NA	NA
Financial institution fees	222.2	228.8	238.4	249.9	263.0	277.7	293.1
Pilots fees	NA	NA	NA	NA	NA	NA	NA
Other	324.5	342.6	361.8	382.1	403.5	426.0	449.9

⁽¹⁾These services are specifically exempt by statute.

Beneficiaries: Virtually all 4.7 million households 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 1.55 cents per cigarette, levied on the sale or possession of cigarettes in Pennsylvania. Only one sale of cigarettes, whether individual cigarettes, packages, cartons or cases, is taxable. Beginning July 1, 1992, two thirty-firsts of cigarette tax receipts is transferred into the Children's Health Fund; beginning January 1, 1997, an additional one thirty-firsts of cigarette receipts (total of three thirty-firsts) is transferred into the Children's Health Fund. Beginning July 1, 1993, two thirty-firsts of cigarette tax receipts is transferred into the Agricultural Conservation Easement Purchase Fund. 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)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: Four 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) can not be resold and must be for personal use only.

Purpose: Persons crossing state lines with one carton or less of cigarettes are presumed to possess such cigarettes for personal use rather than intentionally avoiding payment of the cigarette tax. This expenditure helps to relieve administration and enforcement burdens as well as promote tourism.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA



General Fund Tax Expenditures

COMMISSIONS ON SALES OF STAMPS

Description: Cigarette stamping agents are permitted a commission of three 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. 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 8.5	\$ 8.7	\$ 8.5	\$ 8.4	\$ 8.3	\$ 8.2	\$ 8.1

Beneficiaries: 141 cigarette stamping agents 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.

Administrative Costs: Costs to administer the malt beverage tax expenditures are nominal.

EMERGENCY TAX CREDIT

Description: The Emergency Tax Credit provides manufacturers of malt or brewed beverages, whose annual production of malt or brewed beverages does not exceed 300,000 barrels, a maximum annual credit of \$200,000 for capital improvement expenditures. This tax credit cannot exceed the amount of qualifying capital expenditures made during the emergency tax credit period (items of plant, equipment and machinery intended for use in the manufacture and sale of malt or brewed beverages within the Commonwealth). Under current law, the effective tax credit period expires after December 31, 1998. This tax credit may only be used during the emergency tax credit period.

Purpose: This credit grants a limited tax subsidy for capital improvements made by small brewers. This provision could help lower the risk of business failure and subsequent loss of employment opportunities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.3	\$ 0.2	--	--	--	--	--

Beneficiaries: 15 manufacturers of malt or brewed beverages benefit from this tax expenditure.

LIQUOR TAX

Enabling legislation is 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% of the net price paid by the consumer.

The liquor tax contains no tax expenditures as defined for this tax expenditure analysis.

Administrative Costs: NA

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 various tax expenditures associated with the personal income tax cannot be separately identified. The existence of tax expenditures may result in taxpayer uncertainties, which creates an administrative burden on the department relative to additional compliance audits, letter rulings, pronouncements and bulletins.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.4	\$ 2.5

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$1,128.2	\$1,190.2	\$1,255.6	\$1,324.6	\$1,397.4	\$1,474.1	\$1,555.1

Beneficiaries: Approximately 1.7 million retired residents benefit from this tax expenditure.

General Fund Tax Expenditures

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 upon Pennsylvania wage-earners and maintains fairness, since the employee often does not have the right to possess the funds in the retirement plan except for retirement or separation from the company after a set number of years of service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 516.4	\$ 539.6	\$ 561.5	\$ 585.9	\$ 610.6	\$ 635.1	\$ 658.7

Beneficiaries: As many as 5.5 million employees benefit from this tax expenditure.

EMPLOYEE BENEFIT PROGRAM EMPLOYER CONTRIBUTIONS

Description: Payments made by employers or labor unions for programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, group life insurance, and strike benefits are exempt from taxation. Effective January 1, 1998, this expenditure also includes personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage-earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage-earner.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 557.7	\$ 616.2	\$ 647.6	\$ 679.9	\$ 712.1	\$ 744.4	\$ 779.3

Beneficiaries: Approximately 3.6 million employees benefit from this tax expenditure.

CAFETERIA PLANS

Description: Payments made by employers, on behalf of employees, into a qualifying cafeteria plan are exempt from taxation if the program does not discriminate in favor of highly compensated individuals. This exemption parallels the limited exemption treatment of employee benefit programs covering hospitalization, sickness, disability or death, supplemental unemployment benefits, or strike benefits. Effective January 1, 1998, this expenditure also includes payments made on behalf of employees for personal use of employer provided property and services.

Purpose: This provision lessens the burden of the tax upon Pennsylvania wage-earners, along with maintaining fairness, since these payments are not usually based on actual use by each wage-earner.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 18.0	\$ 20.9	\$ 21.9	\$ 23.0	\$ 24.1	\$ 25.2	\$ 26.4

Beneficiaries: NA

General Fund Tax Expenditures

LIFE INSURANCE PROCEEDS

Description: Amounts paid to beneficiaries or the estate of a decedent by reason of the death of the decedent are exempt from tax.

Purpose: Life insurance proceeds are not considered compensation for services rendered. Also, premiums are often paid with after-tax dollars.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 56.9	\$ 60.5	\$ 64.3	\$ 68.3	\$ 72.5	\$ 77.1	\$ 81.9

Beneficiaries: The death payment beneficiaries of approximately 160,000 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 employees' regular wages or salary. Sick pay in the form of regular wages or salary, however, is taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

UNEMPLOYMENT AND SUPPLEMENTAL UNEMPLOYMENT COMPENSATION

Description: Amounts received as unemployment compensation or supplemental unemployment compensation are excluded from taxable income.

Purpose: This exemption assists unemployed persons in providing the basic necessities of life.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 46.5	\$ 46.8	\$ 47.1	\$ 47.7	\$ 48.4	\$ 49.1	\$ 49.8

Beneficiaries: Approximately 313,000 people benefit from this tax expenditure.



General Fund Tax Expenditures

WORKER'S COMPENSATION

Description: Disability, retirement or other payments arising under workmen's compensation acts, occupational disease acts, and similar legislation are exempt from taxation.

Purpose: These benefits are not related to services rendered and are intended to provide income or subsistence during periods of disability when the taxpayer was injured on the job and also to pay workers' medical bills for injuries sustained on the job. These benefits more closely resemble insurance payments, which are not taxable.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 62.0	\$ 61.6	\$ 61.2	\$ 60.8	\$ 60.4	\$ 60.0	\$ 59.6

Beneficiaries: As many as 102,132 residents benefit from this tax expenditure.

STRIKE BENEFITS

Description: Amounts received 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 12.4	\$ 10.6	\$ 10.6	\$ 10.6	\$ 10.7	\$ 10.7	\$ 10.7

Beneficiaries: Approximately 568,000 people benefit from this tax expenditure.

General Fund Tax Expenditures

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)

Estimates:	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 21.6	\$ 46.9	\$ 48.4	\$ 49.9	\$ 51.6	\$ 53.3	\$ 55.1

Beneficiaries: The owners of approximately 144,000 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.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 44.0	\$ 44.2	\$ 44.4	\$ 44.7	\$ 44.8	\$ 45.0	\$ 45.2

Beneficiaries: Approximately 66,300 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 his 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 33.8	\$ 36.6	\$ 39.7	\$ 43.0	\$ 46.6	\$ 50.5	\$ 54.7

Beneficiaries: The recipients of approximately 150,145 state grants and scholarships, 140,000 federal grants and scholarships, and an unknown number of private scholarships, grants, fellowships, and stipends, benefit from this tax expenditure.

General Fund Tax Expenditures

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 insures that employees incurring business expenses, for which they are later reimbursed in the actual amount of the expenses, are not taxed on the reimbursements. Such expenses and reimbursements are treated as if the employer had made the expenditure directly.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

UNREIMBURSED EXPENSES

Description: Unreimbursed expenditures made by employees are excludable from compensation if they are: necessary to enable the taxpayer to properly perform the duties of employment, reasonable in amount, directly related to the taxpayer's occupation, and customary in the taxpayer's occupation.

Purpose: This provision enhances the fairness of the tax for those employees who incur expenses for the benefit of the employer, in order to properly perform a job, or to retain a rate of compensation.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 49.3	\$ 52.1	\$ 54.7	\$ 57.3	\$ 60.1	\$ 63.0	\$ 66.1

Beneficiaries: Individuals filing approximately 1.2 million returns benefit from this tax expenditure.

BUSINESS INCOME DEDUCTIONS

Description: Ordinary and reasonable expenses necessary to operate a business or profession may be deducted from the gross receipts of that business or profession. This expenditure does not measure cost of sales and operations or wages and salaries deductions.

Purpose: Businesses and professions are taxed on "net" profits; therefore, expenses necessary to produce the income may be deducted before tax is computed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<i>Depreciation:</i>						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 47.2	\$ 49.2	\$ 50.1	\$ 52.4	\$ 54.9	\$ 58.6	\$ 63.2
	<i>Other:</i>						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 496.5	\$ 517.5	\$ 527.1	\$ 550.9	\$ 577.7	\$ 616.8	\$ 665.5

Beneficiaries: Approximately 1.2 million businesses and professions benefit from this tax expenditure.

General Fund Tax Expenditures

FOSTER CARE

Description: Payments received by foster parents are explicitly excluded from the definition of compensation.

Purpose: This exemption provides an incentive for families to bear the burden of caring for foster children.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.5	\$ 2.6	\$ 2.7	\$ 2.8

Beneficiaries: The foster parents of approximately 15,800 children benefit from this tax expenditure.

MEDICAL SAVINGS ACCOUNTS

Description: Annual contributions made to medical savings accounts via an account administrator and the interest earned on these accounts are not taxable. The account must be combined with a health insurance policy with an annual deductible of \$1,500 to \$2,500 for an individual and \$3,000 to \$4,500 for a family. Tax deductible annual contributions must not exceed 65 percent of the insurance policy's deductible for individual coverage and 75 percent for family coverage. Act 179 of 1996 establishes this expenditure as a four year pilot program effective January 1, 1997.

Purpose: This exemption reduces the cost and could improve the quality and availability of health care to Pennsylvanians.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 14.6	\$ 16.0	\$ 16.7	\$ 17.6	\$ 18.4	\$ 19.2	\$ 20.1

Beneficiaries: Individuals filing approximately 6,300 returns benefit from this tax expenditure.

TUITION PREPAYMENT PROGRAM

Description: The tax expenditure is the difference between the amount paid into the program and the value of credits redeemed or payments from the program. The value of credits redeemed from a tuition prepayment program is exempt from taxation.

Purpose: This provision lessens the burden of tax on families saving for college education.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA



General Fund Tax Expenditures

EXEMPTION FOR ELECTION OFFICIALS

Description: Compensation and other payments received by county election officials are exempt from taxation.

Purpose: This exemption provides an incentive to serve as a county election official.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.2	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: As many as 104,346 election officials benefit from this tax expenditure.

CREDITS

SPECIAL POVERTY PROVISIONS (TAX FORGIVENESS)

Description: Special tax forgiveness provisions allow eligible claimants to reduce their tax liability depending upon the amount of their eligibility income. 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 qualify for some amount of forgiveness. The eligibility income limits increase by \$6,000 for each dependent. However, a single parent's allowance for the first dependent is \$6,500.

Purpose: This provision provides tax relief for taxpayers with low incomes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 129.8	\$ 173.8	\$ 161.1	\$ 155.4	\$ 149.9	\$ 143.2	\$ 136.5

Beneficiaries: Individuals filing approximately 1,000,000 returns benefit from this tax expenditure.

OUT-OF-STATE CREDIT

Description: Pennsylvania residents who have income which is subject to both Pennsylvania personal income tax and the income or wage tax of another state (excluding compensation earned in states with reciprocal agreements) or country may claim all or a portion of the tax paid to the other state or country as a credit against the personal income tax.

Purpose: This provision prevents the double taxation of income earned by a Pennsylvania resident in another state or country.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 89.9	\$ 95.2	\$ 100.5	\$ 105.4	\$ 110.5	\$ 115.6	\$ 121.2

Beneficiaries: Individuals filing approximately 90,000 returns benefit from this tax expenditure.

General Fund Tax Expenditures

ESTIMATED TAXES

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: Farmers operating approximately 45,000 farms benefit from this tax expenditure.

ESTIMATED PAYMENTS FOR SMALL AMOUNTS

Description: Individuals with income of \$2,500 or less not subject to withholding are not required to pay estimated taxes. Individuals whose estimated tax is \$100 or less for a tax year may file a declaration and pay any estimated tax due by January 15 of the succeeding year. The expenditure is the interest lost due to delayed estimated payments.

Purpose: These provisions reduce paperwork for taxpayers and the Department of Revenue with small amounts of income not subject to withholding.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

REALTY TRANSFER TAX

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

The realty transfer tax is a documentary stamp tax on the value of any interest in real estate transferred by deed. The tax rate is 1 percent of the value of the real estate transferred. Each party to a document is jointly and severally liable for the tax imposed, unless the party is an excluded party or the document evidences an excludable transaction. The excluded status of a party does not relieve the other parties to a transaction from the entire tax due. The amounts below represent the General Fund portion of the realty transfer tax expenditures only and do not include expenditures for the portion transferred to the Keystone Recreation, Park and Conservation Fund pursuant to Act 50 of 1993.

Administrative Costs: Costs to administer the realty transfer tax expenditures are approximately \$0.2 million annually.



General Fund Tax Expenditures

TRANSFERS TO GOVERNMENTAL UNITS

Description: A transfer to the Commonwealth, the federal government, and their agencies, political subdivisions or instrumentalities by gift, dedication, condemnation or in lieu of condemnation is exempt from taxation.

Purpose: This exemption provides tax relief to the grantor of property to a governmental entity. Without an exemption, the grantor would be required to pay the tax. The exemption may encourage donation of property to a governmental entity.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.9	\$ 0.9	\$ 1.0

Beneficiaries: Approximately 3,200 local governmental units could benefit from this tax expenditure.

PARTITION OF REALTY BY CO-TENANTS

Description: A partition of realty, passed by testate or intestate succession and held by co-tenants, into two or more distinctive portions with each party taking shares equal to their undivided interest is an excluded transaction.

Purpose: Tax relief is given to the heirs to assist in the equitable settlement of the estate. Heirs to realty do not always want joint ownership in the realty willed to them as co-tenants. This exemption enables the parties to partition the realty into two or more distinct portions with each party taking shares equal to their undivided interest without incurring tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: NA

TRANSFERS AMONG FAMILY MEMBERS

Description: Transfers between husband and wife, parent and child 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 lineal descendants.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 28.4	\$ 28.9	\$ 30.4	\$ 32.8	\$ 35.5	\$ 35.9	\$ 36.3

Beneficiaries: NA

General Fund Tax Expenditures

TRANSFERS TO SHAREHOLDERS OR PARTNERS

Description: A transfer from a corporation or association to its shareholder or member, where the grantee owns stock or holds an interest in the same proportion as his interest in the real estate being conveyed is an excluded transaction. The stock or interest must be held by the grantee for more than two years.

Purpose: This exemption recognizes that the grantee has an ownership interest in the realty conveyed to him in the same proportion as stock owned in the corporation or interest in the association.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.4	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.7

Beneficiaries: NA

TRANSFERS TO OR FROM A NON-PROFIT 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 which may contribute to economic development in the Commonwealth.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.5	\$ 1.6	\$ 1.7	\$ 1.8

Beneficiaries: NA

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 which are perceived to provide social benefits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.4

Beneficiaries: 16,242 religious organizations might benefit from this tax expenditure.

General Fund Tax Expenditures

TRANSFERS TO A CONSERVANCY

Description: A transfer to or from a conservancy which possesses a tax-exempt status pursuant to the Internal Revenue Code and which has as its primary purpose preservation of land for historic, recreational, scenic, agricultural or open space opportunities is an excluded transaction.

Purpose: This exemption encourages the preservation of realty with historic, recreational, scenic, or agricultural value.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: 60 land conservancies might 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 corporation or family farm partnership by a member of the same family is an excluded transaction. The family must own at least seventy-five percent of each class of stock in a family farm corporation. The family farm may also lease the farm land as long as it is used for farming.

Purpose: This exemption provides tax relief for the establishment or expansion of the family farm corporation or family farm partnership thereby recognizing the importance of the family-owned farm.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 4,500 family farm corporations or partnerships might 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, family farm corporation or family farm partnership 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 corporations, family farm partnerships, and family-owned real estate businesses by allowing transfers of ownership interests between members of the same family not to count toward the corporation becoming an acquired company.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 4,500 family farm corporations or partnerships and an unknown number of real estate companies might benefit from this tax expenditure.

General Fund Tax Expenditures

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 \$100 or less are thought to be greater than the revenue.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: NA

PRODUCTION OR EXTRACTION OF COAL, OIL, NATURAL GAS, OR MINERALS

Description: Leases for the production or extraction of coal, oil, natural gas or minerals and assignments thereof are excluded transactions.

Purpose: This exemption gives tax relief to the mining and extracting industries to produce and extract coal, oil, natural gas, and minerals at a lower cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 951 companies might 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)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: The 447 public utilities could potentially benefit from this tax expenditure.

General Fund Tax Expenditures

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)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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 approximately \$0.3 million annually.

FAMILY RELATED EXEMPTIONS AND EXCLUSIONS

PREFERENTIAL RATE FOR TRANSFERS TO LINEAL DESCENDANTS

Description: Assets transferred to lineal descendants defined as all children of the natural parents and their descendants whether or not they have been adopted by others, adopted descendants and their descendants and step descendants are taxed at a 6% rate rather than the 15% rate for assets transferred to all other heirs.

Purpose: This provision lowers the tax burden on immediate family members of the decedent.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 416.1	\$ 455.6	\$ 485.2	\$ 506.5	\$ 528.8	\$ 552.0	\$ 576.2

Beneficiaries: Approximately 59,000 estates benefit from this tax expenditure.

General Fund Tax Expenditures

TRANSFERS OF PROPERTY TO SPOUSE

Description: Property passing to a spouse of a decedent is exempt from inheritance tax.

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 inheritance tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 751.0	\$ 784.0	\$ 819.0	\$ 854.6	\$ 892.0	\$ 931.0	\$ 972.0

Beneficiaries: Approximately 36,000 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 death taxes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 142.9	\$ 149.2	\$ 155.7	\$ 162.6	\$ 169.7	\$ 177.2	\$ 185.0

Beneficiaries: Approximately 32,000 estates benefit from this tax 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)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

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 helps limit the impact of the tax on the poor and those with smaller taxable estates to whom this flat exemption is proportionately more meaningful.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1

Beneficiaries: 10,000 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 pension, stock-bonus, profit-sharing, 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 59½ -- the age at which someone may utilize at least a portion of these funds without penalty under the Internal Revenue Code.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 24.9	\$ 26.2	\$ 27.6	\$ 29.1	\$ 30.6	\$ 32.3	\$ 34.0

Beneficiaries: Approximately 79,000 survivors benefit from this tax expenditure. This estimate is inflated as survivors may be eligible for more than one benefit plan.

ESTATE ADMINISTRATION EXPENSES

Description: Expenses for attorney fees, funeral and burial expenses, tombstones and gravemarkers, 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 59.8	\$ 62.4	\$ 65.1	\$ 68.0	\$ 71.0	\$ 74.1	\$ 77.4

Beneficiaries: Approximately 46,000 estates benefit from this tax expenditure.

General Fund Tax Expenditures

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 insuring 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 27.3	\$ 28.5	\$ 29.8	\$ 31.1	\$ 32.5	\$ 33.9	\$ 35.4

Beneficiaries: Approximately 30,000 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Beneficiaries: NA

RAILROAD RETIREMENT BURIAL BENEFITS

Description: The lump-sum railroad retirement burial benefit is exempt from inheritance tax.

Purpose: This provision helps limit the impact of the tax on poorer beneficiaries. The railroad retirement burial benefit could comprise the majority of assets for many small taxable estates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: NA

General Fund Tax Expenditures

ADVANCEMENTS

Description: Transfers made as an advancement of or on account of an intestate share or in satisfaction or partial satisfaction of a gift by will are exempt unless the gift was made within a year of death and gifts to the transferee exceeded \$3,000 during that calendar year.

Purpose: Gifts, as long as they are not made within one year of the date of death, are exempt from inheritance tax. This provision provides that these advancements be treated as gifts that are not intended to avoid the tax.

(Dollar Amounts in Millions)

Estimates:	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: Approximately 56,000 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

General Fund Tax Expenditures

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 ten contiguous acres or has an anticipated yearly gross income derived from agricultural use of \$2,000 or more, is valued based on its current use rather than its highest use.

Purpose: This provision helps to maintain family farms since land currently devoted to agricultural use is often more valuable if developed.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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 20 consecutive quarterly installments beginning nine months after the decedent's death. Each installment payment bears interest of 9% per annum.

Purpose: This provision helps protect small business upon the death of the owner from a sudden tax burden. Payments are spread out over time so that asset sales can be avoided.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

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 local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.4	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6

Beneficiaries: Approximately 3,200 local governmental units could benefit from this tax expenditure.

General Fund Tax Expenditures

TRANSFERS TO CHARITABLE AND FRATERNAL ORGANIZATIONS _____

Description: Intervivos transfers and bequests to charitable and fraternal organizations are exempt from inheritance tax.

Purpose: Charitable and fraternal organizations provide public services which are believed to benefit the citizenry. This exemption represents an indirect means of assistance to these entities and may increase the money available for charitable purposes.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 65.2	\$ 68.1	\$ 71.0	\$ 74.2	\$ 77.5	\$ 80.9	\$ 84.4

Beneficiaries: The 29,300 charitable and fraternal organizations might benefit from this tax expenditure.

Motor License Fund Tax Expenditures

LIQUID FUELS AND FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes. The tax is a permanent trust fund tax of 12 cents per gallon imposed on all liquid fuels and fuels used or sold and delivered by distributors in the Commonwealth beginning October 1, 1997. Prior to this date, liquid fuels were taxed under the provisions of the Act of May 21, 1931 (P.L. 149), as amended, known as the Liquid Fuels Tax Act and fuels were taxed under the Act of January 14, 1952 (P.L. 1965 No. 550), as amended, known as the Fuels Use Tax Act. Both of these acts were repealed effective October 1, 1997. Aviation gasoline and jet fuel are also taxed under the liquid fuels and fuels tax. However, separate tax rates are set for these fuels. Effective January 1, 1999 the tax rate for aviation gasoline is 3.3 cents per gallon and the tax rate for jet fuels is 1.5 cents per gallon.

OIL COMPANY FRANCHISE TAX

Authorization: Chapter 95 of Title 75 of the Pennsylvania Consolidated Statutes. Beginning October 1, 1997, the tax is imposed on all taxable liquid fuels and fuels on a cents-per gallon equivalent basis. The tax rate is calculated annually by the Department of Revenue. The tax rate for calendar year 1999 is 13.9 cents per gallon for liquid fuels and 18.8 cents per gallon for fuels. Receipts from 57 mills of the tax are deposited as unrestricted Motor License Fund revenue. Prior to October 1, 1997, the tax was an excise tax of 153.5 mills per gallon imposed on all oil companies conducting business in Pennsylvania for the privilege of exercising their corporate franchise, doing business, employing capital, owning or leasing property, maintaining an office or having employees in the Commonwealth.

ALTERNATIVE FUELS TAX

Authorization: Chapter 90 of Title 75 of the Pennsylvania Consolidated Statutes. Beginning October 1, 1997, the tax is imposed 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% alcohol by volume, hydrogen, hythane, electricity, and any other fuel not taxable as liquid fuel 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 can not 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.1



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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 5.3	\$ 5.0	\$ 5.3	\$ 5.3	\$ 5.3	\$ 5.4	\$ 5.4

Jet Fuel & Aviation Gasoline:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Nominal						

Fuels:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1	\$ 2.1

Oil Company Franchise:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 9.1	\$ 9.2	\$ 9.3	\$ 9.4	\$ 9.4	\$ 9.5	\$ 9.6

Beneficiaries: Approximately 3,200 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 are exempt from the tax.

Purpose: Volunteer emergency organizations provide public services which are perceived to benefit the citizenry. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

Estimates: **Liquid Fuels:**

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0

Jet Fuel & Aviation Gasoline:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Nominal						

Fuels:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2	\$ 1.2

Oil Company Franchise:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.1	\$ 3.2

Beneficiaries: Approximately 1,907 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 are 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal	Nominal	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	Jet Fuel & Aviation Gasoline:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Oil Company Franchise:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: As many as 2,233 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: One second class county port authority benefits from these tax expenditures.



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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	Oil Company Franchise:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: There are 13 electric cooperatives in the Commonwealth that benefit from these tax expenditures.

AGRICULTURAL USE

Description: A full refund of tax paid is granted for 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 helps to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

Estimates:	Liquid Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.3	\$ 1.2	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3
	Jet Fuel & Aviation Gasoline:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
	Oil Company Franchise:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.8	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4

Beneficiaries: Individuals operating approximately 45,000 farms benefit from these tax expenditures.

Motor License Fund Tax Expenditures

DISCOUNT

Description: A distributor is permitted a variable percentage discount based on gross tax due provided the liquid fuels and fuels tax return and payment due are timely filed. Returns and payments are due on or before the 20th day of each month for the preceding month's sales.

Purpose: This discount is intended to defray the cost of preparing and remitting the liquid fuels and fuels tax reports and payments.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 4.6	\$ 4.4	\$ 4.6	\$ 4.7	\$ 4.7	\$ 4.7	\$ 4.7
	Jet Fuel & Aviation Gasoline:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
	Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.0

Beneficiaries: Approximately 468 distributors benefit from these tax expenditures.

FOREIGN DIPLOMATS

Description: Fuel purchased by foreign diplomats whose country has entered into a treaty with the United States are exempt from payment of the tax.

Purpose: The Commonwealth grants this exemption administratively at the request of the Federal government.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Liquid Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA
	Jet Fuel & Aviation Gasoline:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal	Nominal
	Fuels:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA
	Oil Company Franchise:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</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

MOTOR CARRIERS ROAD TAX / IFTA

Authorization: Chapter 96 of Title 75 of the Pennsylvania Consolidated Statutes. The motor carriers road tax is levied at the rate per gallon currently in effect on Pennsylvania liquid fuels and fuels or alternative fuels tax 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, this tax was repealed and replaced by a tax of 55 mills on each gallon of fuels and collected through the oil franchise tax. Effective January 1, 1996, under Act 75 of 1995, Pennsylvania implemented the provisions of the International Fuel Tax Agreement (IFTA). Under IFTA, fuel consumed in "qualified motor vehicles" is subject to taxation at current rates. A qualified motor vehicle is a motor vehicle, other than a recreational vehicle, which is used, designed or maintained for transportation of persons or property and which has two axles and a registered gross weight exceeding 26,000 pounds, three axles or more regardless of weight or used in combination when the registered gross weight exceeds 26,000 pounds. IFTA provisions do not distinguish taxable use by vehicle types, only by weight and axle configuration. Therefore, Act 75 of 1995 repealed the motorbus road tax effective January 1, 1996. The following estimates reflect the full tax rate imposed.

Administrative Costs: Costs to administer the multiple tax expenditures associated with motor carrier road tax/IFTA can not be identified separately. Tax expenditures are not believed to be a significant factor associated with the need for more compliance audits and contribute minimally to the length of time necessary to complete such audits.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7

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)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 9.4	\$ 9.3	\$ 9.3	\$ 9.4	\$ 9.5	\$ 9.5	\$ 9.6

Beneficiaries: Approximately 3,200 governmental units benefit from this tax expenditure.

Motor License Fund Tax Expenditures

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 assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.1	\$ 3.2	\$ 3.2	\$ 3.2

Beneficiaries: Individuals operating approximately 45,000 farms benefit from this tax expenditure.

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 which are perceived to benefit the citizenry. This exemption permits these services to be rendered at a reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 5.4	\$ 5.3	\$ 5.3	\$ 5.4	\$ 5.4	\$ 5.4	\$ 5.5

Beneficiaries: 2,463 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 which only incidentally operate or move over a highway, such as ditch digging apparatus, well-boring apparatus, earth moving and road construction machinery, are exempt from the motor carriers road tax.

Purpose: Exemption is granted to these vehicles because of their specialized off-highway use.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: The owners of approximately 790 special mobile equipment vehicles benefit from this tax expenditure.

Motor License Fund Tax Expenditures

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 assists the farmer to provide agricultural products at a reduced price to the consumer.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The owners of approximately 209 implements of husbandry vehicles benefit from this tax expenditure.

CHARITABLE AND RELIGIOUS ORGANIZATIONS

Description: Vehicles operated by charitable and religious organizations are exempt from the motor carriers road tax.

Purpose: These organizations provide services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Beneficiaries: Currently approximately 24,300 charitable and religious organizations 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 relative to in-state travel.

Purpose: These organizations provide services which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: As many as 14,200 churches may benefit from this tax expenditure.

Motor License Fund Tax Expenditures

ELECTRIC COOPERATIVES

Description: Qualified motor vehicles operated by electric cooperatives are exempt from the motor carriers road tax.

Purpose: These cooperatives are nonprofit corporations organized to engage in rural electrification and are perceived to provide public benefit. This exemption permits this service to be rendered at a reduced cost to the rate payers.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: There are 13 cooperatives in the Commonwealth that benefit from this tax expenditure.

VEHICLES NEEDING EMERGENCY REPAIRS

Description: A qualified motor vehicle needing emergency repairs, which was granted authorization from the Pennsylvania State Police to enter this Commonwealth, is exempt from the motor carriers road tax.

Purpose: This exemption was granted due to the temporary emergency nature of the vehicle entering Pennsylvania for needed repairs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

VEHICLES SECURING REPAIRS OR RECONDITIONING

Description: Exemption from the motor carriers road tax is provided for unladen or towed motor vehicles or unladen trailers entering Pennsylvania solely for the purpose of securing repairs or reconditioning.

Purpose: This exemption was granted so as to not discourage vehicle owners from obtaining repairs or reconditioning of a vehicle from a Pennsylvania business.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

Motor License Fund Tax Expenditures

SCHOOL BUS

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 events related to such schools or school-related activities are exempt from the motor carriers road tax.

Purpose: Since state government indirectly subsidizes transporting school children, this exemption decreases state educational subsidy costs.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 9.5	\$ 9.4	\$ 9.5	\$ 9.7	\$ 9.8	\$ 10.0	\$ 10.1

Beneficiaries: Approximately 2,464 private or parochial schools and 501 public schools benefit from this tax expenditure.

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 MCRT/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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: NA

Motor License Fund Tax Expenditures

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.

VEHICLE REGISTRATIONS

Description: Specific entities that request the authority to operate 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, military vehicles 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.

Administrative Costs: Costs to administer each vehicle registration tax expenditure cannot be separately identified.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

(Dollar Amounts in Millions)

<i>Estimates:</i>	Disabled/Severely Disabled Veterans:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2

Beneficiaries: The owners of approximately 9,689 vehicles benefit from this tax expenditure.

Charitable Organizations:

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 1.2

Beneficiaries: The owners of approximately 13,377 vehicles benefit from this tax expenditure.

Former Prisoners of War:

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: The owners of approximately 1,504 vehicles benefit from this tax expenditure.



Motor License Fund Tax Expenditures

Farm Trucks:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 2.9	\$ 2.9	\$ 3.0	\$ 3.0	\$ 3.0	\$ 3.1	\$ 3.1

Beneficiaries: The owners of approximately 12,533 farm trucks benefit from this tax expenditure.

Emergency Vehicles:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 1.9	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.1

Beneficiaries: Approximately 2,463 fire departments and an unknown number of other organizations benefit from this tax expenditure.

Fire Department Vehicles:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 3.6	\$ 3.7	\$ 3.7	\$ 3.7	\$ 3.8	\$ 3.8	\$ 3.9

Beneficiaries: Approximately 2,463 fire departments benefit from this tax expenditure.

Political Subdivisions:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 10.6	\$ 10.7	\$ 10.8	\$ 10.9	\$ 11.0	\$ 11.1	\$ 11.2

Beneficiaries: Approximately 3,200 governmental units benefit from this tax expenditure.

Older Pennsylvanians:

<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.5	\$ 3.5	\$ 3.6	\$ 3.6

Beneficiaries: Older Pennsylvanians owning approximately 118,622 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: This provides partial registration fee relief for those vehicles being used only between April 1 and September 30.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: The owners of approximately 154 carnival vehicles benefit from this tax expenditure.

Motor License Fund Tax Expenditures

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 exemption for these entities due to their perceived special status.

Administrative Costs: Costs to administer the certificates of title tax expenditure are borne by the Department of Transportation and are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2

Beneficiaries: The owners of approximately 7,041 vehicles benefit from this tax expenditure.

INSPECTION STICKERS

Description: All vehicles registered in Pennsylvania are required to have periodic safety inspections to insure their road worthiness. 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.

Administrative Costs: Costs to administer the inspection sticker tax expenditure are borne by the Department of Transportation and are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1

Beneficiaries: Approximately 3,200 governmental units benefit from this tax expenditure.

Motor License Fund Tax Expenditures

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.

Administrative Costs: Costs to administer the tax expenditure for bridge permits are nominal.

(Dollar Amounts in Millions)

<u>Estimates:</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.

HAULING PERMITS

Description: Permits, for which a fee is charged, are issued to firms who wish to haul loads that exceed the maximum size or weight specifications for a vehicle. 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.

Administrative Costs: Costs to administer the tax expenditure for hauling permits are nominal.

(Dollar Amounts in Millions)

<u>Estimates:</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: As many as 3,200 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.

Administrative Costs: Costs to administer the tax expenditure for police accident reports are nominal.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: As many as 3,200 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 Harness Racing Commission and the State Horse Racing Commission 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 and 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, 1% rather than the normal 1.5% 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</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 5% 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: All seven racing associations benefit from this tax expenditure.

Recycling Fund Tax Expenditure

WASTE TIRE RECYCLING TAX CREDIT

Authorization: Act 190 of 1996, signed December 19, 1996.

Description: A tax credit is available to a taxpayer who makes a qualified investment in buildings, equipment or facilities for the purposes of reducing, reusing or recycling whole used or waste tires. The tax credit is equal to 30 percent of the cost of the investment in the first year and 10 percent thereafter. The credit may be applied to the corporate net income tax, capital stock and franchise tax or personal income tax. The total amount of tax credits in each calendar year may not exceed \$2,000,000. The investment tax credits are available for three years.

Purpose: The tax credit encourages reduction, reuse or recycling of whole used tires or waste tires.

Administrative Costs: Nominal

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	--	--	--

Beneficiaries: NA



Lottery Fund Tax Expenditures

The Lottery Fund is a special revenue fund composed of monies received from the sale of lottery tickets and from fees. It provides funds for payments of prizes to lottery winners, administrative costs and for various programs benefiting older Pennsylvanians and others.

PENNSYLVANIA LOTTERY WINNINGS

Description: Prizes of the Pennsylvania Lottery are exempt from the state personal income tax. A separate section of the statute provides for a transfer from the Lottery Fund to the General Fund based on the present value of prizes won in that fiscal year. The estimates below reflect the anticipated transfer based on the current personal income tax rate and all expected payments to lottery winners within the appropriate fiscal year.

Purpose: This provision simplifies collection of the Personal Income Tax on Lottery prizes since the tax on all prizes is transferred from the Lottery Fund directly to the General Fund. Individual lottery winners are also relieved of the requirement to report and pay tax on their prize.

Administrative Costs: Nominal

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 23.5	\$ 24.4	\$ 24.5	\$ 24.5	\$ 24.5	\$ 24.6	\$ 24.6

Beneficiaries: NA

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).

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 which would occur to the tax rates as a result of tax base changes. Projected tax rates were used to estimate contributions based on currently taxable wages. The same tax rates were used to estimate contributions based on total wages paid by contributory employers.

Purpose: The limitation on taxable wages limits growth in employer tax liabilities that would otherwise occur as wages rise.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$3,483.0	\$3,556.2	\$3,656.8	\$3,827.7	\$4,053.4	\$4,277.2	\$4,521.4

Beneficiaries: Pennsylvania's unemployment compensation tax system is legislatively designed to generate a sufficient amount of revenue to meet annual benefit payments and maintain an adequate reserve in the state's Unemployment Compensation Trust Fund. Since the tax rates are a function of taxable wages, an increase in the amount of taxable wages to total wages would result in a decrease in the assigned tax rates (trigger mechanism). Ultimately, this would maintain revenues at a level comparable to the current tax structure. This situation, however, involves special treatment for some employers compared to others based upon the level of wages paid to the employees. This special treatment (tax expenditure) would be different for every contributory employer in each major industry division and would have to be calculated on an individual employer basis. In general, under the current system, an employer with higher wage employees benefits by paying on a small portion of total wages. If the taxable wage base were total wages paid to employees, the employer with higher employee wages would have to pay a greater amount in taxes, even though the rate would be reduced significantly.

As of the first quarter of 1998 there were 245,537 contributory employers to the Unemployment Compensation Fund. The following is a breakdown of these employers according to major industry division:¹

Agriculture, Forestry and Fisheries	5,521	Wholesale Trade	23,248
Mining	792	Retail Trade	49,269
Construction	28,927	F.I.R.E.	16,672
Manufacturing	17,109	Services	94,069
Transportation and Public Utilities	9,212	Local Government	425

¹Data 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 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 portion of the public utility realty tax; 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; and 0.09 percent of total sales and use tax receipts in lieu of the repealed lease tax on class four and above motor carriers. Act 138 of 1996 (electric competition) provided for transfers from the utility gross receipts tax to the Public Transportation Assistance Fund beginning in FY 98-99. Certain entities and transactions are exempt from these taxes and fees.

The utility realty tax expenditures for this fund parallel the PURTA General Fund tax expenditures since, by statute, the provisions of Article XI-A of the Tax Reform Code of 1971 apply to the 12 mills levy accruing to the Public Transportation Assistance Fund. With the exception of the new tire fee, the remaining tax expenditures parallel applicable expenditures in the sales and use tax, again due to statutory provisions. The law limits new tire fee expenditures to exempt governmental units.

Administrative Costs: Nominal

UTILITY REALTY TAX

Every entity required to pay the tax imposed under Article XI-A of the Tax Reform Code of 1971 must also remit an additional 12 mills upon each dollar of the state taxable value of its utility realty at the end of the calendar year. The authorization, explanation and administrative costs of this tax are given in the General Fund Tax Expenditure section.

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 4.0	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.2	\$ 4.2

Beneficiaries: 447 public utilities could potentially benefit from this tax expenditure.

Special Fund Tax Expenditures

MACHINERY AND EQUIPMENT

Description: Machinery and equipment, regardless of whether it is housed within included property, is excluded from the PURTA base.

Purpose: PURTA is intended as a tax on land and attached structures. The exemption of business personality encourages investment in machinery and equipment so that efficient utility service may be provided. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 287.7	\$ 292.1	\$ 291.7	\$ 293.7	\$ 295.2	\$ 296.7	\$ 298.2

Beneficiaries: 447 public utilities could potentially 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 which 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 3.6	\$ 3.6	\$ 3.6	\$ 3.7	\$ 3.7	\$ 3.7	\$ 3.8

Beneficiaries: 447 public utilities could potentially 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 encourages the development of an extensive railroad network that is beneficial to the economy.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 8.3	\$ 8.5	\$ 8.4	\$ 8.5	\$ 8.5	\$ 8.6	\$ 8.6

Beneficiaries: The 69 railroad public utilities could potentially benefit from this tax expenditure.

Special Fund Tax Expenditures

LINES

Description: Pole, transmission tower, pipe, rail or other lines, regardless of whether they are attached to the land or other property, are excluded from the PURTA base.

Purpose: This exemption encourages investment in transmission facilities necessary for universal service to all consumers. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 96.1	\$ 103.3	\$ 104.9	\$ 104.8	\$ 105.5	\$ 106.0	\$ 106.5

Beneficiaries: 447 public utilities could potentially benefit from this tax expenditure.

HYDROELECTRIC PROPERTY

Description: All land and other property first used after July 1, 1983 to furnish hydroelectric power is excluded from the PURTA base. This exemption commences in the first year in which the land and property is used to furnish hydroelectric power and energy and remains in effect for a period of ten years.

Purpose: This exemption encourages investment in hydroelectric power as an alternative form of energy. It also benefits consumers to the extent the tax relief is reflected in lower utility rates.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: No known facilities are currently operating or expected to be on-line in the near future.

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 which 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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 6.8	\$ 7.3	\$ 7.4	\$ 7.4	\$ 7.5	\$ 7.5	\$ 7.6

Beneficiaries: 90 public utilities could potentially benefit from this tax expenditure.

Special Fund Tax Expenditures

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 paying itself a tax.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 4.2	\$ 4.5	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.7

Beneficiaries: 474 municipal authorities and 33 municipal public utilities could potentially benefit from this tax expenditure.

MOTOR VEHICLE LEASE TAX AND MOTOR VEHICLE RENTAL FEE

The Commonwealth levies a 3% tax on the total lease 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.

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 which are considered to be basic necessities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: The 447 public utilities could benefit from this tax expenditure.

Special Fund Tax Expenditures

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>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
	Motor Vehicle Rentals:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6

Beneficiaries: The 501 public school districts, 82 vo-tech schools and 2,464 private schools might 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 which are normally treated as a utility service.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 21,476 motor carrier firms could benefit from this tax expenditure.

Special Fund Tax Expenditures

EXEMPT ORGANIZATIONS

Description: The lease or rental of personal property to or for use by any (1) charitable organization, (2) volunteer fireman's organization, (3) nonprofit educational institution or (4) 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 which are perceived to benefit the general public. This exemption permits these services to be rendered at reduced cost.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA
	Motor Vehicle Rentals:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	NA	NA	NA	NA	NA	NA	NA

Beneficiaries: 28,823 organizations might benefit from this tax expenditure.

EXEMPT GOVERNMENTAL UNITS

Description: The lease or rental of personal property to or for use by the federal government, the Commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	Motor Vehicle Leases:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
	Motor Vehicle Rentals:						
	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.



TIRE FEE

The Commonwealth imposes a \$1 fee per tire on each sale of new tires intended for highway use.

EXEMPT GOVERNMENTAL UNITS

Description: The sale of new tires to or for use by the federal government, the commonwealth, or its instrumentalities or political subdivisions is exempt from taxation. Based on the criteria adopted to define tax expenditures, Federal transactions are not included in this study. Commonwealth transactions are also excluded because revenues would offset expenditures with no net effect. The estimates, therefore, represent only local government tax expenditures.

Purpose: This exemption is an indirect means of assistance to local governments and may reduce the taxes levied by these entities.

(Dollar Amounts in Millions)

<i>Estimates:</i>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
	Nominal						

Beneficiaries: As many as 3,200 political subdivisions may benefit from this tax expenditure.

Clothing and Footwear Tax Expenditure

As authorized under Act 180 of 1992, the Department of Revenue has prepared a study and assessment of a tax expenditure. The selected study explores the exclusion of wearing apparel and other articles of clothing worn on the human body from the Pennsylvania sales and use tax. Because clothing and footwear are basic necessities and account for a significant portion of personal consumption expenditures, their exclusion from taxation is a significant tax policy issue.

Data Source

This study is based on data generated by the Pennsylvania Consumption Tax Model (PCTM). The PCTM was built by the Barents Group for the Commonwealth of Pennsylvania and is used to analyze consumption tax issues. Barents, using the U.S. input/output matrix developed by the Census Bureau and other sources, created a Pennsylvania-specific input/output matrix showing consumption by industry and by commodity. This matrix is used to allocate Pennsylvania sales and use taxes between business and consumer purchases by product type based on Pennsylvania sales and use tax laws.

The tax rate and tax base parameters can be changed for specific commodities and industries to simulate policy changes. The model incorporates product elasticity; therefore, adjustments to consumption are made based on price increases or decreases resulting from tax law changes. Output tables generated by the model allow for impact analysis of policy changes by industry and commodity sector. Also, the model incorporates federal income tax return data for Pennsylvania households to allow analysis of the impact of a tax policy change on households by level of income and filing status.

Expenditure Overview

Section 204 (26) of the Tax Reform Code of 1971 provides for the exclusion of certain wearing apparel and shoes from the sales and use tax. The PCTM estimates the cost of the clothing and footwear expenditure to be \$771.4 million for fiscal year 1996-97¹. As previously noted, this expenditure is predicated on the concept that clothing and footwear are basic life necessities. The policy objective of the expenditure, therefore, is to lessen the tax burden on families who spend a disproportionate share of their income on clothing and footwear.

"[A]ccessories, ornamental wear, formal day or evening apparel, and articles made of fur ..., real, imitation or synthetic, ... and sporting goods and clothing not normally used or worn when not engaged in sports..." remain taxable. Taxing these goods limits the expenditure to essential clothing and footwear items. It is estimated that if these non-essential items were also to be excluded from tax, the annual cost of the expenditure would increase by \$36.5 million, or 4.7 percent.

Policy Benefits Versus Cost

As with any tax policy, it is useful to compare the cost of exempting certain items of clothing and footwear with the benefit generated. Factors considered in evaluating the cost/benefit of the clothing and footwear expenditure is the fiscal and economic impact the expenditure has on the state, the demographic make-up of the beneficiaries and the possible regressive nature of a tax on clothing and footwear.

Fiscal and Economic Factors

As noted above, the PCTM allows the department to evaluate the impact a tax on clothing and footwear would have on consumption based on its price elasticity of demand. Taxing clothing and footwear would increase the price of these items and would reduce clothing consumption, not including expenditures for tax, by \$528.9 million annually, or 4 percent of total clothing consumption.

The value of the expenditure is substantial if considered as a portion of total sales and use tax collections. Taxing clothing and footwear would increase collections by approximately 13 percent. This increase in base could theoretically allow lowering the sales tax rate to about 5.3 percent while still maintaining revenue neutrality. A lower sales tax rate could increase Pennsylvania's competitiveness for other business sectors. Thirty-nine of the 45 states with a sales tax impose it on clothing². While it is difficult to make comparisons among states because of

¹ FY 1996-97 is the latest year for which the PCTM is calibrated to department estimates. Based on WEFA "personal consumption expenditure" low-growth forecast estimates for clothing and footwear, September 1998, the expenditure for 1997-98 would be \$810.9 million.

² States with a sales tax that do not tax clothing are Connecticut, Massachusetts, Minnesota, New Jersey, Pennsylvania and Rhode Island.



Special Study: Sales and Use Tax

differing tax bases, it is worth noting that of states with sales taxes lower than Pennsylvania's, only one, Massachusetts, exempts clothing³.

On the other hand, exempting clothing and footwear helps the Pennsylvania retail apparel industry to compete for out-of-state business. Currently, 2.8 percent of consumption of clothing and footwear in Pennsylvania comes from non-residents. While some of these sales are due to tourism, it seems reasonable to assume that a portion of the non-resident consumption stems from residents in contiguous states traveling to Pennsylvania to escape tax on these items. Conversely, if Pennsylvania were to tax clothing and footwear, it could lose sales to neighboring states. The table below shows taxation of clothing and footwear in nearby states.

State	Tax on Clothing	Tax Rate ⁴
Delaware	NA	0.0
District of Columbia	Y	5.75
Maryland	Y	5.0
New Jersey	N	6.0
New York ⁵	Y	4.0 - 8.5
Ohio	Y	5.0-7.0
West Virginia	Y	6.0

Mail order sales account for an estimated annual \$336.6 million in Pennsylvania apparel consumption. This is 2.6 percent of total apparel consumption.⁶ In light of the significant apparel sales done by mail order and the growing portion of sales over the internet, imposing a sales tax on clothing and footwear could put clothing and footwear vendors with nexus in Pennsylvania at a disadvantage. While consumers purchasing clothing and footwear would have to pay a use tax if the vendor did not have nexus in Pennsylvania, use tax is generally more difficult to enforce and less understood by the public. Therefore, taxing clothing and footwear may increase mail order and internet sales due to the perceived lower cost to the consumer.

Beneficiaries

Policy evaluation of the clothing and footwear expenditure requires determining beneficiaries of the expenditure. As the table below indicates, the majority of tax benefit goes to resident consumers and business.

Beneficiary	Tax Expenditure in million \$\$	Percent of Total
Resident consumers	689.8	89.5
Non-resident consumers	21.9	2.8 ⁷
Business ⁷	59.7	7.7
Total	771.4	100.0

Source: PCTM (version 3.2, Table 1)

The table below attributes the portion of resident consumer tax benefits to income level and filing status for Pennsylvania households. These percentages can be compared to the second column of the table showing percentage of households in each income level.

³ *Sales and Use Tax Alert*, November 1996. Excluding states which tax food, twenty-two states have rates below 6.0 percent. States which tax food were excluded because their sales and use tax base would be significantly larger than Pennsylvania's and not comparable.

⁴ Tax rates are those effective January 1998 and include any local sales taxes. Note that Delaware does not have a sales tax.

⁵ New York has instituted temporary clothing and footwear exemption periods. Items subject to the exemption are listed in TSB-M-98(7)S published by the New York Department of Taxation and Finance. Effective December 1, 1999, New York will make the exemption permanent and it will apply to clothing and footwear costing up to \$110 per item.

⁶ *Portable Mail Order Industry Statistics*, 1993 Edition, Arnold L. Fishman. PA share based on share of U.S. income (WEFA, Spring 1997).

⁷ The clothing and other textiles sectors' purchases of clothing and shoes were assumed to be exempt under the manufacturing exemption and were not included as part of the expenditure. All other sectors' purchases were considered to be part of the expenditure, although other purchases of clothing and footwear by certain industries may be entitled to an exemption under other tax expenditures.

Special Study: Sales and Use Tax

Percentage of Tax Expenditure
by Income Level and Type of Filer

Income Class	All Filers		Under 65			65+		
	Portion of Households Benefiting	Portion of Tax benefit	Single	Married	Head of Household	Single	Married	Head of Household
0 < 10,000	34.1	22.5	3.5%	5.6%	4.4%	2.8%	4.5%	1.8%
10,000 < 20,000	12.2	8.8	1.5%	2.5%	1.2%	0.6%	2.3%	0.8%
20,000 < 30,000	10.0	7.7	1.6%	2.7%	2.2%	0.3%	0.6%	0.3%
30,000 < 50,000	17.1	15.6	2.6%	7.9%	3.6%	0.3%	0.8%	0.4%
50,000 < 75,000	13.6	13.2	1.3%	9.5%	1.3%	0.1%	0.7%	0.2%
75,000 < 100,000	6.3	9.1	0.5%	6.2%	1.7%	0.1%	0.4%	0.2%
100,000 < 200,000	5.3	10.1	0.5%	8.2%	0.7%	0.1%	0.4%	0.1%
200,000 < 9,999,999	1.4	13.0	0.5%	9.8%	0.7%	0.2%	1.8%	0.1%
TOTAL	100.0	100.0	12.0%	52.2%	15.8%	4.6%	11.5%	3.9%

Source: Pennsylvania Consumption Tax Model (Version 3.2, Tables 6 & 7). Includes resident personal consumption expenditures and income is based on family Adjusted Gross Income. Details may not add to totals due to rounding.

The assumed purpose of the tax expenditure is primarily to aid low-income households in purchasing essential clothing. While excluding items such as furs and formal wear furthers this purpose, as the table above indicates, the expenditure appears to disproportionately benefit high-income households. Consumers living in Pennsylvania with income less than \$50,000 receive 54.6 percent of the total resident consumption expenditure of \$689.8 million, but make up 73.4 percent of households. Consumers with income less than \$20,000 receive 31.3 percent the expenditure and account for 46.3 percent of households. The average tax benefit resulting from the expenditure for clothing and footwear is \$144 per household. For households with income less than \$50,000, the average benefit is \$107. For households with income of \$50,000 and greater, the average tax benefit is \$246.

To limit benefits to higher income households and minimize the overall costs, but preserve tax benefits for essential clothing, some states, such as Connecticut and Massachusetts, limit the dollar value of exempt clothing. Massachusetts taxes only the amount over the threshold per item, while Connecticut taxes the entire value of the item if it is over the threshold. Creating a limit to the value of articles that can be purchased without tax could lessen the benefit going to high-income households. Such a policy would decrease the cost of the expenditure and still generally lower the cost of essential clothing and footwear articles. However, it is unclear if creating a price threshold for articles that would be exempt would meet uniformity provisions of the Pennsylvania Constitution.

Regressiveness of a Tax on Clothing

While the previous table implies that high-income households receive the greatest average dollar amount of the expenditure, tax benefit as a portion of income is also important in evaluating whether the tax expenditure aids low-income households. It is assumed that providing an exemption for clothing and footwear reduces the regressive nature of the tax by easing the burden on families spending a disproportionate share of their income on clothing and footwear. The following table shows clothing and footwear consumption as a portion of average income by income class. As the table indicates, lower income classes consume a higher portion of their income on clothing and footwear and therefore receive greater tax benefit as a portion of income. One caveat is that the income classifications contain households that are temporarily receiving income at that level as well as those more permanently occupying the income bracket. If households temporarily in a higher or lower income bracket continue consumption patterns consistent with lifetime income, conclusions about regressivity may be distorted.

**Consumption of Clothing and Footwear
as a Percent of Average Income by Income Class**

Income Class	All Filers	under 65				65+			
		All Filers	Single	Married	Head of Household	All Filers	Single	Married	Head of Household
0 < 10,000	37.9	48.2	29.8	75.5	62.4	26.6	18.4	36.8	83.3
10,000 < 20,000	14.1	7.9	5.4	10.8	8.9	15.9	4.5	22.9	42.1
20,000 < 30,000	6.1	6.4	4.1	5.9	11.2	5.2	3.9	5.6	7.2
30,000 < 50,000	4.6	4.7	3.2	5.5	5.3	3.6	3.6	3.9	3.0
50,000 < 75,000	3.9	4.0	2.6	4.1	5.2	3.5	2.4	3.8	3.6
75,000 < 100,000	3.4	3.5	2.4	3.8	2.5	3.2	2.8	3.6	2.4
100,000 < 200,000	3.8	3.9	2.3	3.8	5.9	2.8	2.0	3.2	2.5
200,000 < 9,999,999	4.7	4.5	2.2	4.8	3.3	7.0	1.9	11.5	2.7

Source: PCTM (3.2 version, Table 7) Average income is derived from adjusted gross income for 1996 federal income tax returns for Pennsylvania households.

Conclusion

While the clothing and footwear expenditure accounts for a significant loss to the general fund, it prevents placing a heavy tax burden on low-income households. Also, the majority of individuals that benefit from Pennsylvania's sales and use tax exemption on clothing and footwear are Pennsylvania residents with incomes less than \$50,000. The portion of tax benefit received by households with income between \$50,000 and \$75,000 is commensurate with their portion of total Pennsylvania households. However, households with income in ranges of \$75,000 and greater represent 13.0 percent of total households, but receive a disproportionate 32.2 percent of the tax benefit.



Governor's Executive Budget

*DEPARTMENT
PRESENTATIONS*



GOVERNOR'S OFFICE

The Governor directs and coordinates the work of State Government and guides the programs of the agencies in the direction that assures compliance with existing law, definable needs and administration goals.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)
 1997-98 1998-99 1999-00
 ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

Governor's Office.....	\$ 6,818	\$ 7,211 ^a	\$ 7,418
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GENERAL FUND TOTAL.....	\$ 6,818	\$ 7,211	\$ 7,418
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^a Includes \$9,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 6,818	\$ 7,211	\$ 7,418	\$ 7,566	\$ 7,717	\$ 7,871	\$ 8,028
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.....	\$ 6,818	\$ 7,211	\$ 7,418	\$ 7,566	\$ 7,717	\$ 7,871	\$ 8,028
ALL PROGRAMS:							
GENERAL FUND.....	\$ 6,818	\$ 7,211	\$ 7,418	\$ 7,566	\$ 7,717	\$ 7,871	\$ 8,028
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.....	\$ 6,818	\$ 7,211	\$ 7,418	\$ 7,566	\$ 7,717	\$ 7,871	\$ 8,028



PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be accomplished.

Program: Executive Direction

The executive authority of the Commonwealth is vested in the Governor by the Pennsylvania Constitution. 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.

The Governor maintains a liaison office in Washington, D.C. to ensure that the Commonwealth obtains its maximum fair share of block grants, grants-in-aid, contracts and services available from the Federal Government. The Washington office assists the Pennsylvania Congressional delegation in these areas, works with the offices of other

states on matters of common interest, and assists the Governor's Office in coordinating the Federal liaison work of the departments and agencies.

This program also provides for the Governor's Residence. The residence is used for State functions and to provide a domicile for the Governor and the First Family. The expenses for official functions, as well as those essential to managing a household, are paid from the Governor's Office appropriation. As one of the Commonwealth's public buildings, 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)

\$ 207 Governor's Office
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Governor's Office	\$ 6,818	\$ 7,211	\$ 7,418	\$ 7,566	\$ 7,717	\$ 7,871	\$ 8,028



EXECUTIVE OFFICES

To assist the Governor in the administration of State Government, the Office of Administration performs the duties of a central management agency and coordinates the Commonwealth's Information Technology Strategies. The Office of the Budget performs the duties of a central financial management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness, and provides comptroller services for the maintenance and management of all agency accounts in the Commonwealth. The Inspector General investigates suspected improper use of State resources and investigates and recovers funds disbursed as a result of fraud or overpayment of welfare benefits. The Human Relations Commission, the Commission for Women, the African-American Affairs Commission and the Latino Affairs Commission promote equal opportunities for all people in employment, housing, public accommodations and education. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the criminal justice system as well as financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts. The Public Employee Retirement Commission monitors public employe retirement plans to assure their actuarial viability. The Office of General Counsel provides legal counsel in matters affecting the operation of State agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Medical Professional Liability Catastrophe Loss Fund processes claim payments in certain medical malpractice cases. The Rural Development Council works to promote rural development in Pennsylvania.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	Technology and Year 2000 Computer Investment.....	\$ 23,410
	Integrated Criminal Justice Network.....	9,288
	Office of the Budget.....	775
	Human Relations Commission.....	<u>500</u>
	Subtotal.....	\$ 33,973

This Program Revision provides resources for enterprise-wide information technology projects and to develop solutions to the Year 2000 computer problem, continue the development of the Justice Network for use by all criminal justice agencies, provide information technology for an electronic travel reimbursement system, and to provide information technology for a case processing, management and tracking system. A total of \$91.5 million in State and other funds is provided by this Program Revision across 14 agencies.

Protecting Public Safety Through Enforcement, Prevention and Rehabilitation

Commission on Crime and Delinquency.....	\$ 250
Intermediate Punishment Drug and Alcohol Treatment.....	1,000
Victims of Juvenile Crime.....	3,800
Communities that Care.....	2,000
Specialized Probation Services.....	<u>5,000</u>
Subtotal.....	\$ 12,050

This Program Revision provides resources to implement a set of guaranteed rights for victims of juvenile offenders, provides for automation to the Crime Victims Compensation Program, expands community-based violence and delinquency prevention programs, expands support for county-level restrictive intermediate punishment and expands the availability of specialized probation services for juvenile offenders. This is part of the \$24.4 million Protecting Public Safety Through Enforcement, Prevention and Rehabilitation Program Revision. Please see the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information on this Program Revision.

Department Total.....	<u>\$ 46,023</u>
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Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1997-98 1998-99 1999-00
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

Office of Administration.....	\$ 7,041	\$ 7,783 ^a	\$ 7,997
(F)HealthNet - Commerce.....	32	0	0
(A)Office of Information Technology.....	1,621	1,574	0
(A)Classification and Pay Services.....	2,214	2,280	2,280
(A)State Employee Assistance Program.....	1,034	1,139	1,115
(A)Clerical Testing Program.....	53	55	55
(A)Temporary Clerical Pool.....	3,183	5,061	5,229
(A)Bureau of Management Consulting.....	1,601	1,262	1,283
(A)Executive Board/Directives Management.....	256	257	260
(A)Labor Relations.....	149	200	150
(A)AIDS Education.....	363	0	0
(A)Managing for Govt Responsiveness Training.....	2	175	175
(A)Group Life Insurance Program Commissions.....	0	0	60
(A)Miscellaneous Projects.....	3	103	20
Subtotal.....	\$ 17,552	\$ 19,889	\$ 18,624
Medicare Part B Penalties.....	449	470	470
Radio System Development.....	370	500 ^b	657
Technology and Year 2000 Investment.....	8,941	23,550	23,410
Commonwealth Technology Services.....	0	2,603 ^c	5,653
(A)Commonwealth Technology Center.....	12,870 ^d	12,429 ^d	12,574
Subtotal.....	\$ 12,870	\$ 15,032	\$ 18,227
Integrated Criminal Justice System.....	11,030	9,065	9,288
(A)Special Projects - JNet.....	2,515	0	0
Subtotal.....	\$ 13,545	\$ 9,065	\$ 9,288
Office of Inspector General.....	2,165	2,381 ^e	2,384
(A)Reimbursements for Special Fund Investigations.....	1,000	1,000	1,000
Subtotal.....	\$ 3,165	\$ 3,381	\$ 3,384
Inspector General - Welfare Fraud.....	10,886	10,398 ^f	10,767
(F)TANFBG-Program Accountability.....	1,454	2,500	2,000
(F)Food Stamps - Program Accountability.....	0	4,950	4,600
(F)Medical Assistance - Program Accountability.....	0	1,650	1,500
(F)Subsidized Day Care Fraud.....	0	42 ^g	42
(F)Food Stamp - Program Accountability.....	4,153	0	0
(F)Medical Assistance - Program Accountability.....	1,470	0	0
Subtotal.....	\$ 17,963	\$ 19,540	\$ 18,909
Office of the Budget.....	26,925	27,609 ^h	28,702
(F)JTPA - Program Accountability.....	400	400	400
(A)Support for Commonwealth Payroll Operations.....	6,693	6,628	6,570
(A)Support for PLCB Comptroller's Office.....	6,596	7,076	7,383
(A)Support for Comptroller Services.....	19,527	20,046	20,564
Subtotal.....	\$ 60,141	\$ 61,759	\$ 63,619
Audit of the Auditor General.....	0	0	75
SERS Annuitant Cost of Living Increase.....	0	12,609 ⁱ	0
Office of General Counsel.....	3,190	3,194 ^j	3,270
(A)CLE Registration Fees.....	0	8	42
(A)Legal Intern Program.....	0	0	50
Subtotal.....	\$ 3,190	\$ 3,202	\$ 3,362
Rural Development Council.....	105	108	174
(F)Rural Development.....	95	118	118
(F)Rural Development Through Forestry.....	16	25	25

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
(A)Special Projects.....	132	10	3
Subtotal.....	\$ 348	\$ 261	\$ 320
Human Relations Commission.....	8,549	9,660k	9,934
(F)EEOC - Special Project Grant.....	1,348	1,500	1,500
(F)HUD - Special Project Grant.....	781	1,000	1,000
Subtotal.....	\$ 10,678	\$ 12,160	\$ 12,434
Latino Affairs Commission.....	200	207	212
African American Affairs Commission.....	325	336	344
Council on the Arts.....	878	1,003l	1,002
(F)NEA - Grants to the Arts - Administration.....	175	175	175
Subtotal.....	\$ 1,053	\$ 1,178	\$ 1,177
Commission for Women.....	177	259	265
(A)Conference Registration Fees.....	0	50	50
Subtotal.....	\$ 177	\$ 309	\$ 315
Juvenile Court Judges Commission.....	1,961	2,222m	2,266
(F)Enhanced Data Collecting and Reporting.....	0	342	270
(F)DCSI - Balanced and Restorative Justice.....	0	31	26
(F)Juvenile Accountability Incentive BG.....	0	0	57
(A)State Match for DCSI Subgrant.....	17	0	0
Subtotal.....	\$ 1,978	\$ 2,595	\$ 2,619
Public Employees Retirement Commission.....	575	617n	629
Commission on Crime and Delinquency.....	5,455	5,130o	4,597
(F)Plan for Juvenile Justice.....	290	290	290
(F)DCSI - Administration.....	1,103	1,437	1,600
(F)DCSI - Program Grants.....	16,672	24,000	24,000
(F)DCSI - Criminal History Records.....	10	10	10
(F)Juvenile Justice - Title V.....	42	60	60
(F)Statistical Analysis Center.....	58	75	150
(F)National Criminal History Improvement Program.....	1,314	5,400	5,800
(F)Crime Victims Compensation Services.....	1,335	1,800	1,800
(F)Violence Against Women.....	5,184	8,200	8,200
(F)Violence Against Women - Administration.....	79	290	290
(F)Juvenile Justice State Challenge Grants.....	406	1,200	1,200
(F)Local Law Enforcement Block Grant.....	1,866	3,800	5,000
(F)Truth in Sentencing Incentive Grants.....	11,785	26,700	30,000
(F)Residential Substance Abuse Treatment Program.....	396	2,300	3,000
(F)DFSC - Special Programs.....	4,469	5,200	5,200
(F)Crime Victims Assistance (VOCA) - Admin/Operations.....	136	600	600
(F)PHHSBG - Communities that Care (F).....	550	550	0
(F)MCHSBG - Communities that Care.....	0	0	200
(F)SABG - Communities That Care.....	0	0	200
(F)Byrne Evaluation Partnership Program.....	0	200	200
(F)Juvenile Accountability Incentive Program.....	0	7,741	13,541
(F)Juvenile Accountability Incentive Program - Administration.....	0	400	400
(F)Combat Underage Drinking Program.....	0	360	360
(F)Training and Education Assistance Program.....	0	100	100
(F)Rural Domestic Violence & Child Victimization.....	0	50p	50
(F)Pennsylvanians Against Underage Drinking.....	0	400q	400
(F)DFSC - Partnership for Children.....	0	50	0
(A)Deputy Sheriff's Education and Training.....	99	135	183
(A)PCCD - Special Projects.....	10	200	158
Partnership for Safe Children.....	0	0	1,000
Subtotal.....	\$ 51,259	\$ 96,678	\$ 108,589
State Match for DCSI Subgrants.....	0	1,623r	1,955



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Subtotal - State Funds.....	\$ 89,222	\$ 121,327	\$ 115,051
Subtotal - Federal Funds.....	55,619	103,946	114,364
Subtotal - Augmentations.....	59,938	59,688	59,204
Total - General Government.....	\$ 204,779	\$ 284,961	\$ 288,619
Grants and Subsidies:			
National Convention and Conferences.....	\$ 0	\$ 0	\$ 7,000
Community Crime Prevention.....	1,000	1,000	1,000
Intermediate Punishment Programs.....	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment.....	9,995	10,000	11,000
Drug Education and Law Enforcement.....	3,113	4,000	4,000
Victims of Juvenile Crime.....	0	0	3,800
Communities That Care.....	0	2,000	4,000
Improvement of Juvenile Probation Services.....	5,513	5,513	5,651
(F)TANFBG - Juvenile Probation Emergency Services.....	2,000	2,000	2,000
Specialized Probation Services.....	0	5,000	10,000
Subtotal.....	\$ 7,513	\$ 12,513	\$ 17,651
Grants to the Arts.....	9,282	10,600	11,000
(F)NEA - Grants to the Arts.....	405	1,200	1,200
Subtotal.....	\$ 9,687	\$ 11,800	\$ 12,200
Subtotal - State Funds.....	\$ 34,234	\$ 43,444	\$ 62,782
Subtotal - Federal Funds.....	2,405	3,200	3,200
Total - Grants and Subsidies.....	\$ 36,639	\$ 46,644	\$ 65,982
STATE FUNDS.....	\$ 123,456	\$ 164,771	\$ 177,833
FEDERAL FUNDS.....	58,024	107,146	117,564
AUGMENTATIONS.....	59,938	59,688	59,204
GENERAL FUND TOTAL.....	\$ 241,418	\$ 331,605	\$ 354,601
LOTTERY FUND:			
<i>General Government:</i>			
Ridership Verification.....	\$ 128	\$ 133	\$ 140
LOTTERY FUND TOTAL.....	\$ 128	\$ 133	\$ 140
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Office of the Budget.....	\$ 4,024	\$ 4,093	\$ 4,272
(A)Reimbursement for Comptroller Services.....	1,021	895	895
Subtotal - State Funds.....	\$ 4,024	\$ 4,093	\$ 4,272
Subtotal - Augmentations.....	1,021	895	895
Total - General Government.....	\$ 5,045	\$ 4,988	\$ 5,167
STATE FUNDS.....	\$ 4,024	\$ 4,093	\$ 4,272
AUGMENTATIONS.....	1,021	895	895
MOTOR LICENSE FUND TOTAL.....	\$ 5,045	\$ 4,988	\$ 5,167
OTHER FUNDS:			
GENERAL FUND:			
Radio System Development Project.....	\$ 0	\$ 0	\$ 58

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Victim/Witness Services.....	3,017	4,000	4,000
Crime Victims Reimbursements.....	4,119	3,800	3,800
Constables Education and Training Account.....	923	1,568	1,500
Drug Abuse Resistance Education.....	23	25	150
Federal Juvenile Justice and Delinquency Prevention.....	2,652	3,500	3,500
Federal Crime Victim Assistance.....	6,248	8,000	10,000
Federal Juvenile Justice - Title V.....	1,015	800	800
GENERAL FUND TOTAL.....	\$ 17,997	\$ 21,693	\$ 23,808
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND:			
General Government Operations.....	\$ 46,761	\$ 47,824	\$ 49,618
Payment of Claim Settlements.....	269,849	280,000	280,000
MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND TOTAL....	\$ 316,610	\$ 327,824	\$ 329,618
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 123,456	\$ 164,771	\$ 177,833
SPECIAL FUNDS.....	4,152	4,226	4,412
FEDERAL FUNDS.....	58,024	107,146	117,564
AUGMENTATIONS.....	60,959	60,583	60,099
OTHER FUNDS.....	334,607	349,517	353,426
TOTAL ALL FUNDS.....	\$ 581,198	\$ 686,243	\$ 713,334

^a Includes \$11,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^c Includes \$3,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d The augmentations that support the Commonwealth Technology Center have been relocated in the budget from the Office of Administration appropriation to the proposed Commonwealth Technology Services appropriation.

^e Includes \$3,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^f Includes \$13,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^g Includes recommended supplemental appropriation of \$42,000.

^h Includes \$38,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

ⁱ Actually appropriated as \$17,000,000. Amount shown is net of distributions to other State agencies.

^j Includes \$4,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^k Includes \$13,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^l Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^m Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

ⁿ Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^o Actually appropriated as \$7,125,000. Also includes \$5,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^p Includes recommended supplemental appropriation of \$50,000.

^q Includes recommended supplemental appropriation of \$400,000.

^r Actually appropriated as \$1,955,000. Amount shown is net of transfers to other State agencies.

^s Actually appropriated as part of the \$7,125,000 Commission on Crime and Delinquency appropriation.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 68,487	\$ 97,693	\$ 97,206	\$ 91,634	\$ 86,948	\$ 88,330	\$ 90,168
SPECIAL FUNDS.....	4,152	4,226	4,412	4,500	4,590	4,682	4,776
FEDERAL FUNDS.....	7,620	9,685	8,685	8,685	8,685	8,685	8,685
OTHER FUNDS.....	377,443	388,014	389,292	391,455	393,663	395,914	398,209
SUBCATEGORY TOTAL.....	\$ 457,702	\$ 499,618	\$ 499,595	\$ 496,274	\$ 493,886	\$ 497,611	\$ 501,838
LEGAL SERVICES							
GENERAL FUND.....	\$ 3,190	\$ 3,194	\$ 3,270	\$ 3,335	\$ 3,402	\$ 3,470	\$ 3,539
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	8	92	94	96	98	100
SUBCATEGORY TOTAL.....	\$ 3,190	\$ 3,202	\$ 3,362	\$ 3,429	\$ 3,498	\$ 3,568	\$ 3,639
PREVENTION AND ELIMINATION OF DISCRIMINATORY PRACTICES							
GENERAL FUND.....	\$ 9,251	\$ 10,462	\$ 10,755	\$ 10,460	\$ 10,668	\$ 10,881	\$ 11,098
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,129	2,500	2,500	2,500	2,500	2,500	2,500
OTHER FUNDS.....	0	50	50	51	52	53	54
SUBCATEGORY TOTAL.....	\$ 11,380	\$ 13,012	\$ 13,305	\$ 13,011	\$ 13,220	\$ 13,434	\$ 13,652
DEVELOPMENT OF ARTISTS AND AUDIENCES							
GENERAL FUND.....	\$ 10,160	\$ 11,603	\$ 12,002	\$ 12,022	\$ 12,042	\$ 12,063	\$ 12,084
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	580	1,375	1,375	1,375	1,375	1,375	1,375
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 10,740	\$ 12,978	\$ 13,377	\$ 13,397	\$ 13,417	\$ 13,438	\$ 13,459
CRIMINAL AND JUVENILE JUSTICE PLANNING AND COORDINATION							
GENERAL FUND.....	\$ 24,894	\$ 29,084	\$ 36,683	\$ 36,520	\$ 36,609	\$ 36,699	\$ 36,791
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	45,695	91,213	102,651	102,651	102,651	102,651	102,651
OTHER FUNDS.....	18,106	22,028	24,091	24,098	24,105	24,112	24,119
SUBCATEGORY TOTAL.....	\$ 88,695	\$ 142,325	\$ 163,425	\$ 163,269	\$ 163,365	\$ 163,462	\$ 163,561
REINTEGRATION OF JUVENILE DELINQUENTS							
GENERAL FUND.....	\$ 7,474	\$ 12,735	\$ 17,917	\$ 16,978	\$ 16,998	\$ 17,025	\$ 17,052
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,000	2,373	2,353	2,336	2,327	2,327	2,327
OTHER FUNDS.....	17	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 9,491	\$ 15,108	\$ 20,270	\$ 19,314	\$ 19,325	\$ 19,352	\$ 19,379

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 123,456	\$ 164,771	\$ 177,833	\$ 170,949	\$ 166,667	\$ 168,468	\$ 170,732
SPECIAL FUNDS.....	4,152	4,226	4,412	4,500	4,590	4,682	4,776
FEDERAL FUNDS.....	58,024	107,146	117,564	117,547	117,538	117,538	117,538
OTHER FUNDS.....	395,566	410,100	413,525	415,698	417,916	420,177	422,482
DEPARTMENT TOTAL.....	\$ 581,198	\$ 686,243	\$ 713,334	\$ 708,694	\$ 706,711	\$ 710,865	\$ 715,528



PROGRAM OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be achieved.

Program: Executive Direction

The Executive Direction Program provides administrative support and policy direction for implementing, maintaining and monitoring the substantive programs of the Commonwealth.

Program Element: Administration

The Office of Administration (OA) provides policy direction and administrative support. Centralized personnel services ensure equity by maintaining the classification, pay, benefits and workers compensation systems, negotiating and administering collective bargaining agreements between the Commonwealth and the various unions representing State employees under the provisions of the Public Employee Relations Act of 1970, recruiting for all non-civil service positions, training in management and supervisory skills, and administering the Commonwealth's affirmative action process and programs. The Office of Administration also conducts management studies on State programs to improve their operation, administration and organization.

The Office of Administration administers a State Employee Assistance Program (SEAP) to educate and promote early intervention for alcohol, drug, emotional and other personal problems which adversely affect employee performance. The program involves an established referral, evaluation and treatment process and intervention when there are critical incidents.

Also, OA conducts the AIDS Education Program which provides and coordinates basic, advanced and specialized education to all Commonwealth employees on HIV/AIDS and other infectious diseases.

OA is responsible for developing and promulgating Statewide policies and standards governing the management and use of the Commonwealth's information technology (IT) investments. These responsibilities are carried out through the Office for Information Technology (OIT) which is comprised of four organizational units: the Commonwealth Technology Center, the Bureau of Consolidated Computer Services, the Bureau of Desktop Technology, and the Office for IT Planning and Support.

The Commonwealth Technology Center is responsible for providing direction and support for the Commonwealth in three areas: enterprise application development, enterprise IT support operations, and oversight for special enterprise-wide projects. The center develops and maintains the Commonwealth's central administrative applications; provides direction and overall coordination

for the Commonwealth's Year 2000 effort; provides management support for enterprise disaster recovery planning and IT security; plans and manages the Commonwealth's data networks, wide area networks (WAN's), Metropolitan Area Network (MAN), and cable television (CATV) resources; develops Statewide telecommunications policy; manages the OA's video conferencing facilities; and coordinates the development of Statewide IT contracts.

The Bureau of Consolidated Computer Services was created to implement the outsourcing of 18 agency data centers and to manage the service, performance and financial requirements of the outsourcing contracts. This bureau is responsible for ensuring customer service meets established benchmarks, developing methods for agency charge backs, measuring and reporting on contract compliance, overseeing data center outsource contract(s), providing Level Two technical support to agencies, and planning changes for capacity requirements.

The Bureau of Desktop Technology is responsible for developing and implementing an IT modernization plan to re-invest savings from the Commonwealth's outsourcing initiative into an enterprise-wide expansion of desktop computing and network-based technology. This bureau's responsibilities encompass policy, planning and operational areas, including: enterprise-wide IT asset tracking; developing programs to reduce total cost of IT ownership; reviewing major agency IT initiatives through the OA's Investment Review Program; developing, implementing and coordinating enterprise-wide IT education programs; managing OA Internet/Intranet applications; managing OA networks and providing technical support to end-users; supporting enterprise client/server applications; and providing consulting services to Commonwealth agencies on client/server, UNIX, LAN and desktop technologies. **Commonwealth Connect** is Pennsylvania State Government's enterprise-wide initiative to establish software standards for desktop computing and establish an e-mail network that will provide a consistent and reliable platform for State agency communication and collaboration.

The Office for IT Planning and Support is responsible for identifying new enterprise IT initiatives that can bring significant return on investments and benefits to State Government and its customers. It serves as the catalyst for bringing the appropriate agencies together and getting the projects started, and; continues to play a facilitation and supportive role until the effort reaches a level of management

Program: Executive Direction (continued)

sustainability. This office is also responsible for the overall management of enterprise IT policies developed by the OIT's other bureaus and Centers for Technology Excellence.

Program Element: Fraud Detection and Prevention

The purpose of the Office of Inspector General is to detect, deter, prevent and eradicate fraud and waste of State resources, and misconduct by State employees; keep the Governor fully informed of problems and deficiencies in executive agencies; and help ensure that executive agencies operate efficiently, with integrity, and in accordance with applicable laws and regulations. The Office of Inspector General is designed to maintain public confidence, integrity, and efficiency in State Government.

The Office of Welfare Fraud Investigations and Recovery Management was established within the Office of Inspector General in July 1994. The office is responsible for conducting investigations into suspected welfare fraud and abuse as well as performing collection activities for welfare programs administered by the Department of Public Welfare. The collection activities involve the recovery of benefits provided due to clerical errors, omissions or inaccurate information supplied by applicants, and in the case of medical assistance, charges for services exceeding allowable amounts. In addition, the Office of Inspector General recovers the costs of benefits provided to recipients who are eligible for Supplemental Security Income, tort recoveries, employment compensation, workers' compensation, and veterans' benefits.

Program Element: Commonwealth Budget and Accounting

The Office of the Budget assists the Governor in formulating fiscal policies and procedures, and in preparing the Commonwealth Budget for delivery to the General Assembly. The establishment of authorized complement levels for those agencies within the scope of authority of the Governor is the responsibility of the Budget Office. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978.

In addition, the Office of the Budget provides accounting, auditing and financial advisory and supportive services to all Commonwealth agencies and is responsible for maintenance of the ICS accounting system.

Program Element: Rural Development

The Rural Development Council is responsible for the development and implementation of plans that integrate

private expertise and Federal, State and local government efforts for the promotion of rural development in Pennsylvania. Activities are: assessing Pennsylvania's rural development needs, identifying the State's various available resources and compiling and analyzing data to produce insights into rural development.

Program Element: Public Employee Pensions

The Public Employee Retirement Commission, in accordance with Act 66 of 1981 and Act 205 of 1984, provides an ongoing mechanism to monitor public employee retirement plans in the Commonwealth. The commission also is mandated to provide financial analyses to the General Assembly and the Governor in conjunction with their consideration of public pension legislation.

Program Element: Medical Malpractice

The Health Care Services Malpractice Act of 1975 established the Medical Professional Liability Catastrophe Loss Fund to provide a source of funds to pay for judgments, awards or settlements in medical malpractice claims which exceed the basic limits of coverage provided by the professional liability insurance policy. Act 135 of 1996 amended the original legislation to mandate basic insurance coverage to be \$300,000 per occurrence for individuals and hospitals, \$900,000 per annual aggregate for individuals and \$1,500,000 for hospitals for policies issued or renewed in calendar years 1997 and 1998. For those policies issued or renewed in calendar years 1999 and 2000, basic coverage will increase to \$400,000 per occurrence for individuals and hospitals, \$1,200,000 per annual aggregate for individuals and \$2,000,000 for hospitals. For policies issued or renewed in calendar year 2001 and beyond, coverage shall increase to \$500,000 per occurrence for individuals and hospitals, \$1,500,000 per annual aggregate for individuals and \$2,500,000 for hospitals. Funding is provided by levying an annual surcharge on all health care providers. In addition, the fund has full responsibility to defend and/or settle any claim filed more than four years after the tort or breach of contract occurred which is not otherwise barred by the statute of limitations. A Statement of Cash Receipts and Disbursements for the fund is included in the Special Funds Appendix. The fund expenditures are also reflected as other funds in the Executive Offices Summary by Fund and Appropriation.



Program: Executive Direction (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND		
	Office of Administration	\$	75
\$ 144	—to continue current program.		
70	—transfer of Group Life Insurance Program from the Department of General Services. In addition, the transfer includes \$60,000 in augmentations derived from commissions earned on policies issued.	\$	-12,609
214	<i>Appropriation Increase</i>	\$	66
	Radio System Development	\$	12
\$ 157	—to continue current project.		
	Technology and Year 2000 Investment	\$	7,000
\$ -140	—nonrecurring projects.		
	Commonwealth Technology Services		
\$ 3,050	—to continue current program.		
	Integrated Criminal Justice System	\$	7
\$ 223	—to continue current program.		
	Office of Inspector General		
\$ 3	—to continue current program.		
	Inspector General — Welfare Fraud	\$	179
\$ 369	—to continue current program.		
	Office of the Budget		
\$ 318	—to continue current program.		
775	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to implement an electronic travel reimbursement system. See the Program Revision following this program for additional information.		
1,093	<i>Appropriation Increase</i>		

	Audit of the Auditor General —to provide for an audit of the Department of the Auditor General.
	SERS Annuitant Cost of Living Increase —nonrecurring appropriation.
	Rural Development Council —to continue current program.
	Public Employee Retirement Commission —to continue current program.
	National Convention & Conferences —to provide for costs related to national and regional conventions and conferences to be held in Pennsylvania.

	LOTTERY FUND Ridership Verification —to continue current program.
	MOTOR LICENSE FUND Office of the Budget —to continue current program.

The Medicare Part B Penalties Appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

		1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:								
Office of Administration	\$	7,041	\$ 7,783	\$ 7,997	\$ 8,157	\$ 8,320	\$ 8,486	\$ 8,656
Medicare Part B Penalties		449	470	470	460	460	450	450
Radio System Development		370	500	657	670	683	697	711
Technology and Year 2000 Investment		8,941	23,550	23,410	23,878	24,356	24,843	25,340
Commonwealth Technology Services		0	2,603	5,653	5,766	5,881	5,999	6,119
Integrated Criminal Justice System		11,030	9,065	9,288	9,474	3,163	3,206	3,453
Office of Inspector General		2,165	2,381	2,384	2,432	2,481	2,531	2,582
Inspector General — Welfare Fraud		10,886	10,398	10,767	10,982	11,202	11,426	11,655
Office of the Budget		26,925	27,609	28,702	28,996	29,566	29,739	30,332
Audit of the Auditor General		0	0	75	0	0	100	0
SERS Annuitant Cost of Living Increase		0	12,609	0	0	0	0	0
Rural Development Council		105	108	174	177	181	185	189
Public Employees Retirement Commission		575	617	629	642	655	668	681
National Convention and Conferences		0	0	7,000	0	0	0	0
TOTAL GENERAL FUND	\$	68,487	\$ 97,693	\$ 97,206	\$ 91,634	\$ 86,948	\$ 88,330	\$ 90,168

Program: Executive Direction (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
LOTTERY FUND:							
Ridership Verification	\$ 128	\$ 133	\$ 140	\$ 143	\$ 146	\$ 149	\$ 152
MOTOR LICENSE FUND:							
Office of the Budget	\$ 4,024	\$ 4,093	\$ 4,272	\$ 4,357	\$ 4,444	\$ 4,533	\$ 4,624



Program Revision: Enhancing Information Technology to Better Serve Pennsylvania

Information technology continues to offer tremendous opportunities to the Commonwealth, and poses significant challenges. This Program Revision addresses both opportunities and challenges by implementing an Incident Information Management System, supporting the Commonwealth Law Enforcement Assistance Network, enhancing the Justice Network, improving the Uniform Crime Reporting System, extending Link to Learn, developing enterprise-wide information technology, implementing the operational phase of the Statewide Radio System, instituting an interoperable Geographic Information System and enhancing information technology capabilities in a number of State agencies. The administration of all aspects of Pennsylvania's business can be facilitated by the broadened and expedited flow of data through new information technology networks.

Criminal Justice Information Technology

The ability of criminal justice agencies to collect and disseminate data is crucial to effective law enforcement, as well as evaluating strategies to fight crime. This Program Revision provides over \$8 million in State and Motor License funds for the development of an Incident Information Management System (IIMS). This system will provide the State Police with enhanced information technology communications, data sharing, scheduling and document tracking capabilities. The IIMS project will also support activities to maintain, access and exchange information among law enforcement agencies, local criminal justice agencies and the public.

This Program Revision provides \$307,000 in State and Motor License funds for administrative resources to support the Commonwealth Law Enforcement Assistance Network (CLEAN). Currently a proprietary network, CLEAN is being converted to an open system enterprise network which will allow communication between criminal justice agencies currently using dissimilar computer systems and protocols. The conversion to an open system will facilitate broader and faster dissemination of time-critical information to law enforcement agencies and the courts and allow communication and information sharing among all authorized criminal justice users. The CLEAN upgrade will also allow for the nationwide transmission of images and fingerprints. It is anticipated that the enterprise network will be fully implemented by December of 1999.

This Program Revision provides \$9.3 million to continue implementation of the Justice Network (JNET) project which will enable State and local criminal justice agencies to share time-sensitive information necessary to support criminal justice functions, eliminate duplicate activities and increase employe productivity. Funding is provided for the design

and implementation of proof-of-concept prototypes and additional enhancements for inter-agency file transfers, court disposition reporting and post arrest activities. Funding is also provided for proof-of-concept activities for on-line analytical processing, single-point data entry, and document management, as well as for project management and security consulting, and additional JNET connections. In addition, the JNET project will support laws that require law enforcement agencies to maintain, access and exchange information, and the exchange of data between State, Federal and local criminal justice agencies.

The collection of criminal justice data is a crucial component in determining the effectiveness of criminal justice activities and devising strategies to address crime trends. This Program Revision provides \$150,000 for information technology to improve the Uniform Crime Reporting System maintained by the State Police.

Link to Learn

Through the Link to Learn initiative, the Commonwealth has provided more than \$132 million to expand the use of technology in Pennsylvania schools and communities during the past three years. Link to Learn has significantly improved the basic technology infrastructure and capabilities of public K-12 schools by targeting technology resources toward preparing children to meet the challenges of the 21st century. This Program Revision builds upon the investments made during the previous three years, by providing \$20 million to assist consortiums of local education agencies implement regional action plans that create community-wide networks. This Program Revision also includes \$4 million for the purchase of computers which can be loaned to non-public schools so those students can participate in the educational benefits afforded by information technology. Regardless of the public or non-public educational setting, this initiative will bring together people and organizations interested in collaborating to promote the use of technology in the education of Pennsylvanians.

In addition, this Program Revision provides \$10 million for higher education technology grants. Funding will be targeted toward workforce development, research and professional development programs as well as infrastructure to interconnect community networks. Funding may also be targeted toward the development of curriculum for information sciences and technology programs. Through these networks, students and teachers will have access to a wide range of educational resources beyond the traditional institutions and geographic boundaries and will progress toward a future classroom which has no boundaries.

Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

Enterprise-wide Information Technology

This Program Revision provides \$23.4 million for enterprise-wide information technology (IT) projects that will impact a broad spectrum of the Commonwealth's business functions, and to address remaining issues related to the Year 2000 computer problem. Enterprise-wide initiatives will address the continued assessment, expansion, improvement and management of the Commonwealth's IT infrastructure, including local area networks and telecommunications networks. Funding is provided for continued implementation of the Data Center Project, which will consolidate Commonwealth data center computer operations and support services. Funding is also provided to develop innovative, cost-effective IT projects throughout the Commonwealth involving electronic commerce, IntraNet applications, electronic service/commodity acquisition, and other inter-agency administrative activities. This Program Revision also provides funding to develop solutions to any remaining Year 2000 computer problem issues related to software conversion, or to the replacement or repair of non-compliant micro-chips, where there is a risk of equipment failure.

Statewide Radio System

The Statewide Radio System will establish a unified wireless communications system for all Commonwealth agencies. The system will be phased in over nine months, beginning in April of 2000. This Program Revision provides \$5.2 million to the Departments of Conservation and Natural Resources, Environmental Protection, and the Office of the Attorney General for base stations, mobile and portable equipment to begin radio system operations in southeastern Pennsylvania.

Geographic Information Systems

Geographic Information Systems (GIS) provide clear, accurate user-friendly visual images and complex data elements in a way that improves decision making. By placing data in a geographic context, project planning and administration are enhanced. This Program Revision provides \$1.3 million to the Departments of Agriculture, Conservation and Natural Resources, Environmental Protection, the Emergency Management Agency and the Historical and Museum Commission to create GIS databases, establish methods for sharing geospatial data, and design common management approaches that will facilitate interaction with local government and the private sector.

Agency Information Technology

This Program Revision provides enhanced information technology capabilities in a number of agencies to improve administration and program services.

This Program Revision provides \$398,000 to the Department of State for information technology support for the collection, dissemination, and public disclosure of campaign finance information. This project will improve the department's ability to monitor campaign expenses and assure compliance with campaign finance law. In addition, \$1.3 million in other funds is provided to the department for information technology to make professional licensure information readily available to the public.

This Program Revision provides \$2.2 million to the Department of Health to convert its mainframe system to a client server system. This conversion will enhance regulatory and licensing functions, enable the network system to meet statewide standards and improve the department's ability to collect and analyze data across program areas.

In addition, this Program Revision provides \$2.2 million in Motor License funds to the Department of Transportation for technical support to develop transportation information technology systems and enhanced technology processes in the drivers licensing and vehicle registration programs to improve customer service.

This Program Revision provides \$400,000 to the Department of Education to convert its teacher certification process from a mainframe-based to a client server-based application in order to improve and expedite certification inquiries and transactions.

This Program Revision provides \$464,000 in augmentations to the Civil Service Commission to initiate computer-based testing for applicants in order to improve the personnel evaluation and hiring process. This implementation will fundamentally change the way in which the commission does business by making testing more timely, competitive and responsive while maintaining the fundamental principles of merit and fairness.

In a continued effort to convert existing traditional customer service applications to electronic technology, this Program Revision provides \$241,000 to the Insurance Department for an interactive voice response system. This system will enable Pennsylvania-licensed insurance agents and brokers to obtain information regarding the status of their licenses and continuing education credits and to request application forms through an entirely automated system.

This Program Revision provides \$150,000 to the Historical and Museum Commission to modernize its electronic archiving of State agency data and documents. This modernization will reduce the cost of data storage, and ensure that electronic records are maintained long-term in a computer-accessible form.

Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

Within the Executive Offices, this Program Revision provides \$775,000 to the Office of the Budget to implement an electronic travel reimbursement system. This system will allow for expedited reimbursements and enhanced management and oversight of travel expenditures. In addition, this Program Revision provides \$500,000 to the Human Relations Commission to develop and implement an agency-wide case processing, management and tracking system for the investigation of complaints.

This Program Revision provides \$1.2 million to the Office of the Attorney General for information technology, software and administrative support for an improved case management system and the enhanced investigation of Internet crimes.

This Program Revision will improve public safety and efficiency, enhance the quality of education, improve the quality and interoperability of geospatial data, and upgrade customer service and the quality of information used by the Commonwealth agencies.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Police agencies participating in the Uniform Crime Reporting System							
Current	844	844	844	844	844	844	844
Program Revision	0	0	900	900	900	900	900
Counties covered by the Statewide Radio System							
Program Revision	0	0	22	22	22	22	22
Agencies with compatible GIS systems							
Program Revision	0	0	5	5	5	5	5
Licenses available for 24 hour electronic verification							
Program Revision	0	0	150,000	300,000	300,000	300,000	300,000
Travel Claims filed electronically							
Program Revision	0	0	35,000	100,000	150,000	200,000	200,000

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND EXECUTIVE OFFICES Human Relations Commission \$ 500 —to provide information technology for a case processing, management, and tracking system.</p> <p>Office of the Budget \$ 775 —to provide information technology for an electronic travel reimbursement system.</p> <p>Technology and the Year 2000 \$ 23,410 —to provide for enterprise-wide information technology projects and develop solutions to the Year 2000 computer problem.</p> <p>Integrated Criminal Justice System \$ 9,288 —to continue the development of the Justice Network for use by all criminal justice agencies.</p> <p>ATTORNEY GENERAL Statewide Radio System \$ 1,355 —to provide base stations, and mobile and portable radio equipment for agency participation in the Statewide Radio System.</p>	<p>\$ 1,190</p> <p>\$ 51</p> <p>\$ 600</p> <p>\$ 3,353</p>	<p>Computer Enhancements —to provide administrative support and information technology for an improved case management system and enhanced investigations of Internet crimes.</p> <p>AGRICULTURE General Government Operations —to provide information technology for the management, collection and dissemination of geospatial data.</p> <p>CONSERVATION AND NATURAL RESOURCES General Government Operations —to provide information technology for the management, collection and dissemination of geospatial data.</p> <p>—to provide base station, and mobile and portable radio equipment for agency participation in the Statewide Radio System.</p>
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Program Revision: Enhancing Information Technology to Better Serve Pennsylvania (continued)

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Executive Offices							
Human Relations Commission	\$ 0	\$ 0	\$ 500	\$ 0	\$ 0	\$ 0	\$ 0
Office of the Budget	0	0	775	510	510	102	102
Integrated Criminal Justice System	0	0	9,288	9,474	3,163	3,206	3,453
Technology and Year 2000	0	0	23,410	23,878	24,356	24,843	25,340
Attorney General							
Statewide Radio System	0	0	1,355	0	0	0	0
Computer Enhancements	0	0	1,190	425	434	443	451
Agriculture							
General Government Operations	0	0	51	5	0	0	0
Conservation and Natural Resources							
General Government Operations	0	0	3,953	0	0	0	0
Education							
General Government Operations	0	0	400	0	0	0	0
Technology Initiative	0	0	20,000	0	0	0	0
Technology for Nonpublic Schools	0	0	4,000	0	0	0	0
Higher Education Technology Grants	0	0	10,000	0	0	0	0
Emergency Management Agency							
General Government Operations	0	0	80	0	0	0	0
Environmental Protection							
General Government Operations	0	0	450	475	500	525	550
Environmental Program Management	0	0	50	0	0	0	0
Environmental Protection Operations	0	0	450	0	0	0	0
Health							
General Government Operations	0	0	2,177	387	186	190	194
Historical and Museum Commission							
General Government Operations	0	0	250	230	234	239	243
Insurance							
General Government Operations	0	0	241	8	8	8	8
State							
General Government Operations	0	0	398	812	828	845	862
State Police							
General Government Operations	0	0	150	204	0	0	0
CLEAN System	0	0	2,670	10,798	12,478	10,219	10,423
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 81,838	\$ 47,206	\$ 42,697	\$ 40,620	\$ 41,626
MOTOR LICENSE FUND:							
State Police							
CLEAN System	\$ 0	\$ 0	\$ 5,675	\$ 22,946	\$ 26,460	\$ 21,717	\$ 22,151
Transportation							
General Government Operations	0	0	301	0	0	0	0
Safety Administration and Licensing	0	0	1,875	0	0	0	0
MOTOR LICENSE FUND TOTAL	\$ 0	\$ 0	\$ 7,851	\$ 22,946	\$ 26,460	\$ 21,717	\$ 22,151



PROGRAM OBJECTIVE: To provide legal advice to the Governor and the Cabinet, and to supervise, coordinate and administer legal services for the Commonwealth.

Program: Legal Services

The Office of the General Counsel was created by Act 164 of 1980. The General Counsel serves as the chief legal advisor to the Governor and has the responsibility to appoint deputy general counsel, the chief counsel and assistant counsel in each Executive Branch agency and to supervise, coordinate and administer legal services throughout the Executive Branch.

There are several areas of responsibility for the Office of General Counsel. The major responsibility is to provide general legal advice to the Governor, his staff and the Cabinet. This includes rendering legal advice and representation concerning matters and issues arising in connection with the operation of agencies under the Governor's jurisdiction. The office and agency chief counsel review and approve for form and legality all Commonwealth deeds, leases, contracts, rules and regulations. The Office of General Counsel provides advice to the Governor on pending legislative matters and issues and reviews for constitutionality and legality all legislation presented to the Governor for approval.

The Office of General Counsel also is responsible for initiating appropriate actions or defending the Commonwealth when the Attorney General delegates or declines to initiate appropriate proceedings. It also has the authority to intervene in any action by or against an agency under the Governor's jurisdiction whenever the Governor requests. The General Counsel administers the operations of the Juvenile Court Judges Commission and provides the legal representation for the Pennsylvania Public Television Network.

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)

\$ 76 Office of General Counsel
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Office of General Counsel	\$ 3,190	\$ 3,194	\$ 3,270	\$ 3,335	\$ 3,402	\$ 3,470	\$ 3,539

PROGRAM OBJECTIVE: *To insure equal opportunities and participation for all individuals regardless of race, religion, color, creed, handicap or disability, ancestry, national origin, familial status, age or sex in all areas of employment, housing, credit, commercial property, public accommodations and education.*

Program: Prevention and Elimination of Discriminatory Practices

The Human Relations Commission is 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 utilized by the commission to secure compliance with the law are processing complaints of discrimination which might result in legal proceedings being initiated, and providing technical assistance to organizations, businesses, governmental bodies and individuals to promote voluntary compliance. Processing formal complaints continues to be the major activity of the commission.

Substantial resources are also devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. The commission coordinates the State's response to racial and ethnic tensions, and trains law enforcement officials and local government and community leaders on appropriate responses. The commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The commission, in conjunction with the Pennsylvania Department of Education, is working with several urban school districts to improve the educational achievement of minority and disadvantaged students.

Federal funds are received for investigating complaints which are dual filed with the commission and with the Equal Employment Opportunity Commission or the U.S. Department of Housing and Urban Development.

The commission's efforts to identify and remedy systemic discrimination continue in order to address the major problems of discrimination against whole classes of individuals. In addition, litigation remains a significant feature of the commission's workload.

The Latino Affairs Commission functions as an advocate for the Latino community. The commission advises the Governor on policies, procedures and legislation that impact upon the Latino community. The commission also assists Latino individuals in making the most of their talents and capabilities, and works with local Latino communities in developing strategies and programs that enhance their social and economic status.

The Commission for Women functions as the Commonwealth's advocate for women and is responsible for developing and implementing policies and programs that work to ensure equal opportunity. A large part of the work of the commission is the distribution of information on subjects that affect equal opportunities and full participation. The commission disseminates information through publication of periodicals, handbooks or checklists on specific subjects; news releases and other information to press and broadcast media; speeches to groups and broadcast appearances; and the provision of information to individuals requesting assistance.

The African American Affairs Commission functions as the Commonwealth's advocate for the African American community. The commission advises the Governor and legislative caucuses on policies, procedures, legislation and regulations that impact upon the African American community.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Human Relations Commission:							
Formal complaint investigation:							
Complaints pending at beginning of year	9,044	10,026	11,076	12,066	12,566	12,966	13,366
New complaints filed	6,720	6,750	6,750	6,800	6,800	6,800	6,800
Complaints closed	5,738	5,700	5,760	6,300	6,400	6,400	6,400
Complaints pending at end of year	10,026	11,076	12,066	12,566	12,966	13,366	13,766
Informal complaints received	41,500	42,000	42,000	42,000	42,000	42,000	42,000

Complaints closed in 1999-00 increase and complaints pending at the end of the year decrease from the projections shown in last year's budget because of enhanced processing capabilities.

Informal complaints increase from the projections shown in last year's budget because of increased awareness of the help available from the commission.

Program: Prevention and Elimination of Discriminatory Practices (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	524	Human Relations Commission —to continue current program.	\$	5	Latino Affairs Commission — to continue current program.
	-750	—nonrecurring local area network computer system.			
	500	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to develop and implement an agency-wide case processing, management and tracking system for the investigation of complaints. See the Program Revision following the Executive Direction program in Executive Offices for additional information.		8	African American Affairs Commission — to continue current program.
				6	Commission for Women — to continue current program.
\$	274	<i>Appropriation Increase</i>			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Human Relations Commission	\$ 8,549	\$ 9,660	\$ 9,934	\$ 9,623	\$ 9,815	\$ 10,011	\$ 10,211
Latino Affairs Commission	200	207	212	216	220	224	228
African American Affairs Commission	325	336	344	351	358	365	372
Commission for Women	177	259	265	270	275	281	287
TOTAL GENERAL FUND	\$ 9,251	\$ 10,462	\$ 10,755	\$ 10,460	\$ 10,668	\$ 10,881	\$ 11,098

PROGRAM OBJECTIVE: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists.

Program: Development of Artists and Audiences

The Commonwealth encourages cultural development in the arts through the Pennsylvania Council on the Arts. The 19 member council supports the arts through a grant program, service programs, and community organizations. The organizations and artists served are geographically, culturally and ethnically diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras, museums, dance companies, theatres and festivals.

The council functions with 17 advisory panels, each chaired by a council member and composed of nine or ten professional in each program area such as: dance, folklore, music, etc. These peer review panels review program structures and recommend needed changes in policy and procedures.

The council supports and assists the arts in the Commonwealth in two specific areas: 1) a grant program that responds to applications and program initiatives that address issues that are beyond the capacity of a single arts institution, and; 2) staff services and technical assistance to arts and community organizations. The first involves direct expenditure of grant funds. The second is carried out by the program staff, panelists and council members, and is supported entirely by the administrative appropriation.

The grant program provides funds to support nonprofit arts organizations specific arts projects, and for artistic development. The grant program also funds the Minority Arts Program that encourages minority, traditional and ethnic artists and ensembles to participate in the arts.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Site visits and consultations	2,500	2,500	2,600	2,700	2,800	2,900	3,000
Grant applications reviewed	2,556	3,000	3,050	3,100	3,150	3,200	3,250
Awards made	1310	1320	1,330	1,340	1,350	1,360	1,370

Attendance at supported events is estimated at 37,000,000 annually. Artists participating in projects are estimated at 123,000 annually.

The measure Site visits and consultations is lower than last year's budget due to a change to information technology to provide a higher level of service by allowing for electronic inquiries and program guidance.

The measure Grant applications reviewed is lower than in last year's budget as a result of redesigning the grant application form to allow for more than one type of grant to an organization.

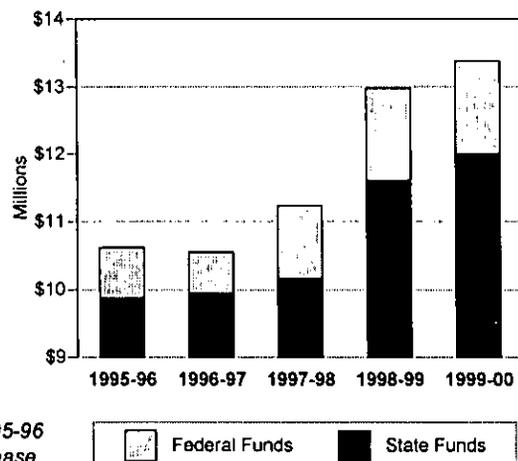
The measure Awards made is higher than estimated in last year's budget due to increased funding availability.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-20	Council on the Arts
	19	—nonrecurring expenditures.
		—to continue current program.
\$	-1	<i>Appropriation Decrease</i>
\$	-400	Grants to the Arts
	800	—nonrecurring project.
		—to continue current grant program.
\$	400	<i>Appropriation Increase</i>

Funding for the Arts Grants and Operating



Funding for the arts has increased since 1995-96 from \$10.6 million to \$13.4 million, a 26% increase.

Program: Development of Artists and Audiences (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Council on the Arts	\$ 878	\$ 1,003	\$ 1,002	\$ 1,022	\$ 1,042	\$ 1,063	\$ 1,084
Grants to the Arts	9,282	10,600	11,000	11,000	11,000	11,000	11,000
TOTAL GENERAL FUND	\$ 10,160	\$ 11,603	\$ 12,002	\$ 12,022	\$ 12,042	\$ 12,063	\$ 12,084



PROGRAM OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning to improve criminal justice programs.

Program: Criminal and Juvenile Justice Planning and Coordination

Program Element: Planning and Coordination

The Pennsylvania Commission on Crime and Delinquency (PCCD) assists the criminal justice system by providing system-wide criminal statistical and analytical services, by fostering interagency coordination and cooperation, by rendering training and technical assistance, and by granting funds to support system improvements. Appointed task forces, advisory groups and planning committees, encompassing commission and non-commission members, advise the commission in addressing specific problem areas.

The commission also administers a mix of State and Federal grant programs which are designed to provide support to local elements of the criminal justice system and, through selective financing of proposals, demonstrate new solutions to Statewide problems.

The commission fosters the development of criminal justice policy by conducting research on timely criminal justice issues and has established a link to Pennsylvania's academic community through the formation of an evaluation advisory committee composed of leading criminal justice researchers. Integral to its role in criminal justice coordination and analysis of legislative issues, PCCD has formed a multi-agency correctional population projection committee that provides policymakers with accurate projections of the Commonwealth's correctional population and conducts policy impact analysis. In the area of criminal justice record information, PCCD coordinates a multidisciplinary committee that analyzes criminal justice information and develops and implements strategies to improve the quality of the information.

The commission is the designated State agency to administer the Federal Violence Against Women Act of 1994. The program provides funding to Pennsylvania to develop a coordinated and integrated approach to improving the criminal justice system's response to violence against women.

Under the guidance of its gubernatorially appointed Juvenile Advisory Committee, PCCD occupies a central role in the interaction between the Department of Public Welfare, the Juvenile Court Judges' Commission and other agencies in the development and implementation of policy and programming relative to juvenile justice. PCCD is the State's focal point for promoting local efforts to implement risk-focused, community mobilization programming directed toward preventing delinquent behavior among youths. The commission also administers the Federal Juvenile Justice and Delinquency Prevention Act formula grant program, as well as the Juvenile Accountability Incentive Block Grant program.

The commission provides training and technical assistance to county prison boards and local officials through the County Intermediate Punishment Act. This act provided counties with opportunities to develop various intermediate punishment programs for nonviolent offenders to alleviate overcrowding in the county prisons. The Commission also administers a program to support drug and alcohol assessment, evaluation and treatment services related to this program.

Through the use of Federal Drug Control and System Improvement (DCSI) formula grant funds administered by PCCD, State and local units of government receive start-up monies for projects to improve the justice system. Major priorities for new local projects include juvenile justice initiatives; community-based criminal justice initiatives; corrections; community-based planning initiatives; new and expanded criminal justice automation efforts; comprehensive victim services; training; and emerging opportunities and demonstrations.

PCCD administers a basic and continuing training program for deputy sheriffs that is financed through a surcharge on fees levied by the sheriffs for legal services executed. The 160 hour basic training school provides instruction to deputy sheriffs and provides for continuing education at regular intervals. Under Act 10 of 1998, the commission will conduct a training needs analysis process to expand and enhance training for deputy sheriffs. Similarly, PCCD provides basic and continuing education for constables. The 80 hour basic and 40 hour annual continuing education training is supported through a surcharge on constable services.

PCCD provides Statewide training and technical assistance for law enforcement personnel to implement community-based crime reduction strategies; coordinates Statewide efforts promoting law enforcement's involvement in policing practices, sponsors an annual program to recognize citizen contributions to local crime reduction projects, and administers a Statewide crime prevention review group. PCCD also provides training to law enforcement agencies to implement the nationally recognized Drug Abuse Resistance Education (D.A.R.E.) program through its certified State D.A.R.E. Training Center.

The commission administers the Federal Residential Substance Abuse Treatment Program of the Violent Crime Control and Law Enforcement Act of 1994. This program provides funding to develop and implement 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.

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

PCCD administers Federal funds from the Violent Offender Incarceration/Truth-In-Sentencing Incentive Grant Program of the Violent Crime Control and Law Enforcement Act of 1994, which provides funding to build or expand correctional facilities to increase the capacity for the confinement of violent offenders for the purpose of freeing up space for violent offenders.

The commission also administers the Governor's portion of the Local Law Enforcement Block Grant (LLEBG) Program that provides support to local jurisdictions that by formula do not qualify for a direct LLEBG allocation. Funding is also granted to the State Police that provides services to those jurisdictions.

PCCD provides administrative support for the Governor's Community Partnership for Safe Children, which seeks to reduce youth violence by facilitating public/private partnerships among State Government, educators, business and community leaders, clergy and parents. Similar support is provided to the Weed and Seed Program that assists communities in which high levels of crime, especially drug crime, have severely undermined the quality of life.

Program Element: Victim Services

PCCD uses county-based policy boards to define local victim service needs and develop cost-effective victim/witness service strategies. Technical and financial assistance is provided to community-based organizations and district attorney offices in all 67 counties to support comprehensive service to victims of all violent crime with

particular emphasis on services to victims of sexual assault, domestic violence and child abuse. Grants are made using court imposed costs authorized by Act 96 of 1984 as amended by Act 155 of 1992 and the Federal Victims of Crime Act of 1984. The commission also administers the formula grant, Title V and State Challenge Activities components of the Federal Juvenile Justice and Delinquency Prevention Act of 1974.

The Crime Victims Compensation Program was created by Act 139 of 1976 to ameliorate the financial burden faced by victims of crime. The Bureau of Victim Services is responsible for the administration of the program. Payments to victims are made for medical expenses, counseling, loss of earnings and cash loss of benefits. In the event of death, funeral expenses and loss of support may be compensated to those who qualify. The maximum award is \$35,000 including \$20,000 for loss of support and \$15,000 for loss of earnings.

The Crime Victims Compensation Program is the payor of last resort for crime victims' losses and the bureau is required to verify all aspects of each claim prior to payment.

Payments to victims are disbursed from a restricted revenue account that receives its funding from the collection of costs assessed against certain offenders who are convicted. Payment funds are also provided by the Federal Victims of Crime Act of 1984 which allocates Federal reimbursements to states based on a formula of prior year payments to victims. The restricted revenue account is listed as other funds in the Executive Offices Summary by Fund and Appropriation.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Planning and Coordination							
Persons attending crime prevention course and in-service instructors' workshop.....	199	200	200	200	200	200	200
Communities implementing risk-focused juvenile delinquency prevention programs..	22	33	57	81	105	129	153
New law enforcement officers certified as drug education and law enforcement program instructors	111	150	150	150	150	150	150
New Deputy Sheriffs certified through completion of training	184	192	192	192	192	192	192
Victim Services							
Crime Victims Compensation:							
New claims received, reviewed and accepted	2,506	3,066	3,107	3,153	3,200	3,246	3,294
Claims paid	2,696	2,723	2,750	2,778	2,806	2,834	2,907
Claims pending additional information, denied or closed without payment	580	585	590	595	600	605	610
Claims reopened for additional losses	478	330	325	320	315	310	305

The average Crime Victim's Compensation program reimbursement per claim in 1998-99 is \$2,691.

New law enforcement officers certified as drug education and law enforcement program instructors increase from the projections shown in last year's budget because of increased funding.

Claims paid; claims pending additional information, denied or closed without payment; and claims reopened for additional losses increase from the projections shown in last year's budget because of Victim Services Program enhancements including increased dissemination of public information pertaining to the program.

Program: Criminal and Juvenile Justice Planning and Coordination (continued)

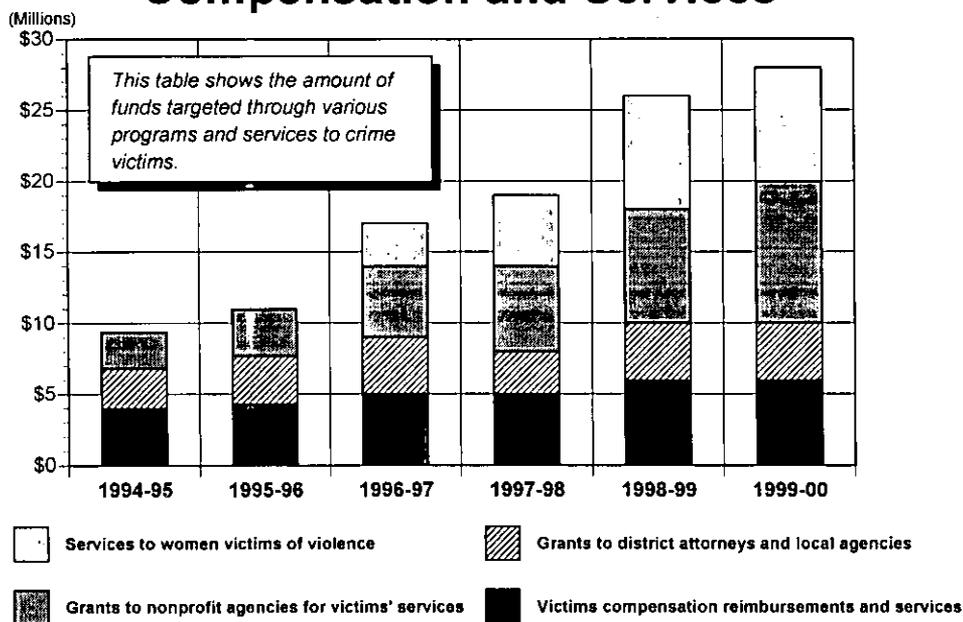
Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ -1,000 217 250</p>	<p>Commission on Crime and Delinquency —nonrecurring relocation costs. —to continue current program. —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision automates the Crime Victims Compensation Program. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>	<p>\$ 3,800</p>	<p>Victims of Juvenile Crime —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides funding to implement a set of guaranteed rights for victims of juvenile offenders. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>
<p>\$ -533</p>	<p><i>Appropriation Decrease</i></p>	<p>\$ 2,000</p>	<p>Communities That Care —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides funding for community-based violence and delinquency prevention programs. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>
<p>\$ 1,000</p>	<p>Partnership for Safe Children —to support activities and initiatives which assist local communities in establishing effective programs and services to reduce violence by and against children and youth.</p>		
<p>\$ 332</p>	<p>State Match for DCSI Subgrants —to provide the State match requirements for initial DCSI subgrants awarded to State agencies.</p>		
<p>\$ 1,000</p>	<p>Intermediate Punishment — Drug and Alcohol Treatment —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides funding to counties to expand drug and alcohol abuse treatment for non-violent offenders as an alternative to incarceration. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p>		

All other appropriations are recommended at the current year funding level.

Crime Victims' Compensation and Services



Program: Criminal and Juvenile Justice Planning and Coordination (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Commission on Crime and Delinquency	\$ 5,455	\$ 5,130	\$ 4,597	\$ 4,434	\$ 4,523	\$ 4,613	\$ 4,705
Partnership for Safe Children	0	0	1,000	1,000	1,000	1,000	1,000
State Match for DCSI Subgrants	0	1,623	1,955	1,955	1,955	1,955	1,955
Community Crime Prevention	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Intermediate Punishment Programs	5,331	5,331	5,331	5,331	5,331	5,331	5,331
Intermediate Punishment Drug and Alcohol Treatment	9,995	10,000	11,000	11,000	11,000	11,000	11,000
Drug Education and Law Enforcement	3,113	4,000	4,000	4,000	4,000	4,000	4,000
Victims of Juvenile Crime	0	0	3,800	3,800	3,800	3,800	3,800
Communities That Care	0	2,000	4,000	4,000	4,000	4,000	4,000
TOTAL GENERAL FUND	\$ 24,894	\$ 29,084	\$ 36,683	\$ 36,520	\$ 36,609	\$ 36,699	\$ 36,791

PROGRAM OBJECTIVE: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.

Program: Reintegration of Juvenile Delinquents

The Juvenile Court Judges Commission (JCJC) is responsible for the development and improvement of juvenile probation services throughout the Commonwealth. These services focus on the effective reintegration of juvenile offenders into the community through improved performance by juvenile courts and their staffs.

The provision of Statewide juvenile justice training, education, research, statistical information, and the development and enhancement of specialized intensive probation and aftercare services for juveniles who have committed drug and/or drug related offenses have significantly improved the quality of service within the Commonwealth's juvenile justice system.

All of the Commonwealth's sixty-seven counties participate in the commission's grant-in-aid program and have adopted the commission's required Juvenile Court Standards, participated in commission sponsored training programs and complied with all commission statistical reporting requirements. The grant-in-aid program is the only source of State funding for juvenile probation services. It supports the commission's major programs including training, education and specialized projects such as the provision of liability insurance and financial support for necessary equipment and software to enable counties to participate in the commission's juvenile probation management information system.

The commission annually sponsors from 40 to 45 state-of-the-art-training programs for juvenile justice practitioners. In addition to the provision of training, the commission, in conjunction with Shippensburg University and Mercyhurst College, provides the support to enable probation officers to receive Master of Science Degrees in the Administration of Justice. As of June 1998, 335 probation officers graduated from this program since its inception in 1982. The support for these programs will continue into 1999-00.

The commission's Drug and Alcohol Initiative continues to be a priority. Fifty-nine of the Commonwealth's counties are using urinalysis drug testing techniques on those juveniles who are known or suspected drug users. Juveniles referred to the court are tested for one or more of the following drugs: THC, cocaine, barbiturates, amphetamines,

opiates, PCP, benzodiazepines and alcohol. Outcome information regarding each youth tested is collected by the commission and entered into its drug testing database.

Since June 1993, the Pennsylvania Commission on Crime and Delinquency in cooperation with the Juvenile Court Judges' Commission and the Department of Education has awarded grants to forty-three counties to implement school-based probation programs. These programs place probation officers in schools in an effort to help at-risk youth successfully function in the school environment, and to provide school staff with help in dealing with this difficult population. JCJC will continue to coordinate the training and research activities in support of this initiative. The commission sponsors training programs and sessions for Juvenile Justice personnel. Approximately 2,300 persons a year attend the programs and seminars.

Juvenile arrests for violent crimes (murder, forcible rape, robbery and aggravated assault) decreased from 5,704 in 1996 to 5,308 in 1997. Although, arrests for drug offenses increased from 5,158 in 1996 to 5319, the arrest rate per 100,000 juveniles remained at approximately 405 in 1997.

In 1998-99, funding was provided for Specialized Probation Services to fund school-based probation, intensive probation and aftercare services including assistance for drug and alcohol abuse prevention and treatment. The commission will be providing support for 325 specialized probation officers in 65 counties during 1998-99. Of these positions, 187 are for school-based probation, 85 for intensive probation and 53 for aftercare services. The commission will continue this program during 1999-00.

Since 1997-98, JCJC has been participating in the Commonwealth's Unified Information Technology System. The commission's primary role in the project is to assist in the design, development and implementation of a juvenile tracking system. The project is part of the development of the statewide Integrated Criminal Justice System and the establishment of a Justice Network (J-Net) to electronically connect criminal justice agencies to facilitate information sharing.

Program: Reintegration of Juvenile Delinquents (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Children referred to court	37,841	37,841	37,841	37,841	37,841	37,841	37,841
Commitments as a percent of referrals	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%	10.9%
Children arrested for violent crime	5,308	5,300	5,300	5,300	5,300	5,300	5,300
Full-time equivalent juvenile probation officer positions	1,018	1,080	1,140	1,140	1,140	1,140	1,140

Full-time equivalent juvenile probation officer positions increase from the projections shown in last year's budget because of increased funding recommended for Specialized Probation Services.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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<p>Juvenile Court Judges Commission \$ 44 —to continue current program.</p> <p>Improvement of Juvenile Probation Services \$ 138 —to continue current grant program.</p>	<p>Specialized Probation Services \$ 5,000 —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision expands the availability of specialized probation services, including school-based probation, intensive supervision, and aftercare. See the Program Revision following the Institutionalization of Offenders program in the Department of Corrections for additional information.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Juvenile Court Judges Commission	\$ 1,961	\$ 2,222	\$ 2,266	\$ 1,327	\$ 1,347	\$ 1,374	\$ 1,401
Improvement of Juvenile Probation Services	5,513	5,513	5,651	5,651	5,651	5,651	5,651
Specialized Probation Services	0	5,000	10,000	10,000	10,000	10,000	10,000
TOTAL GENERAL FUND	\$ 7,474	\$ 12,735	\$ 17,917	\$ 16,978	\$ 16,998	\$ 17,025	\$ 17,052





LIEUTENANT GOVERNOR

The Lieutenant Governor serves as President of the Senate and Chairman of the Board of Pardons. In case of the death, conviction or impeachment, failure to qualify or resignation of the Governor, the Lieutenant Governor will become Governor for the remainder of the term. In case of the disability of the Governor, the powers, duties and emoluments of the office will transfer to the Lieutenant Governor until the disability is removed.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1997-98 1998-99 1999-00
 ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

Lieutenant Governor's Office.....	\$ 619	\$ 749 ^a	\$ 770
(A) Recycling Fund.....	85	85	85
PRIME Implementation.....	0	0	250
Board of Pardons.....	279	291	334
(A) Pennsylvania Justice Network.....	77	320	0
(F) DCSI-Automated Technology-JNET Connection.....	0	231	0
Subtotal - State Funds.....	\$ 898	\$ 1,040	\$ 1,354
Subtotal - Federal Funds.....	0	231	0
Subtotal - Augmentations.....	162	405	85
Total - General Government.....	\$ 1,060	\$ 1,676	\$ 1,439
STATE FUNDS.....	\$ 898	\$ 1,040	\$ 1,354
FEDERAL FUNDS.....	0	231	0
AUGMENTATIONS.....	162	405	85
GENERAL FUND TOTAL.....	\$ 1,060	\$ 1,676	\$ 1,439

^a Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
EXECUTIVE DIRECTION							
GENERAL FUND.....	\$ 898	\$ 1,040	\$ 1,354	\$ 1,381	\$ 1,409	\$ 1,437	\$ 1,466
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	231	0	0	0	0	0
OTHER FUNDS.....	162	405	85	87	89	91	93
SUBCATEGORY TOTAL.....	\$ 1,060	\$ 1,676	\$ 1,439	\$ 1,468	\$ 1,498	\$ 1,528	\$ 1,559
ALL PROGRAMS:							
GENERAL FUND.....	\$ 898	\$ 1,040	\$ 1,354	\$ 1,381	\$ 1,409	\$ 1,437	\$ 1,466
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	231	0	0	0	0	0
OTHER FUNDS.....	162	405	85	87	89	91	93
DEPARTMENT TOTAL.....	\$ 1,060	\$ 1,676	\$ 1,439	\$ 1,468	\$ 1,498	\$ 1,528	\$ 1,559



Lieutenant Governor

PROGRAM OBJECTIVE: To provide an effective administrative system through which substantive programs of the agency can be accomplished.

Program: Executive Direction

This program provides for the execution of duties relating to the Office of the Lieutenant Governor. These duties, as prescribed by the Constitution, include presiding over the Senate; assuming the Office of the Governor for the remainder of the 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.

In addition, the Lieutenant Governor serves, by appointment of the Governor, as Chairman of the Governor's Executive Council on Recycling Development

and Waste Reduction and as Chairman of the PRIME Council which is designed to re-engineer State Government to better serve its customers, to promote employee performance and effectiveness and to implement advances in information technology. The Lieutenant Governor directs the Pennsylvania Weed and Seed Program, an initiative that promotes neighborhood safety and revitalization through a strong partnership between law enforcement and local citizens.

The Lieutenant Governor serves, by appointment, as Chairman of the Pennsylvania Emergency Management Council in which he has direct responsibility for coordinating relief information and assistance.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	21	Lieutenant Governor's Office —to continue current program.	\$	43	Board of Pardons —to continue current program.
\$	250	Prime Implementation —Initiative—Enhancing the PRIME Process. To enhance the development and implementation of the PRIME Process.			

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Lieutenant Governor's Office	\$ 619	\$ 749	\$ 770	\$ 785	\$ 801	\$ 817	\$ 833
PRIME Implementation	0	0	250	255	260	265	271
Board of Pardons	279	291	334	341	348	355	362
TOTAL GENERAL FUND	\$ 898	\$ 1,040	\$ 1,354	\$ 1,381	\$ 1,409	\$ 1,437	\$ 1,466



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 the 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.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
MOTOR LICENSE FUND		
	Computer Enhancements.....	\$ 1,190
	Statewide Radio System.....	1,355
	Subtotal.....	<u>\$ 2,545</u>
<p>This Program Revision provides base stations, and mobile and portable radio equipment for agency participation in the Statewide Radio System, and administrative support and information technology for an improved case management system and enhanced investigation of internet crimes. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total.....	<u><u>\$ 2,545</u></u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
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GENERAL FUND:

General Government:

General Government Operations.....	\$ 32,858	\$ 33,891^a	\$ 34,860
(F)Medicaid Fraud.....	2,693	3,102	3,183
(F)MAGLOCLEN.....	3,537	4,311	4,647
(F)DCSI - Elder Abuse Investigation Training.....	97	94	19
(F)DCSI - Elder Abuse Advisory Board.....	0	38	25
(F)DCSI - Child Sexual Exploitation Prevention.....	0	25	41
(A)Legal Fees Reimbursement.....	249	285	294
(A)Grand Jury Reimbursements.....	190	234	241
(A)Collections - Legal.....	112	53	58
(A)Department Services.....	2,386	2,706	2,788
(A)Consumer Protection.....	0	16	16
(A)Investigative Costs Reimbursements.....	38	33	34
(A)Environmental Crimes Investigative Costs.....	53	11	11
(A)Public Protection Law Enforcement.....	1,700	1,785	1,170
(A)Continuing Legal Education.....	5	5	5
(A)Reimbursement from PCCD.....	12	16	0
Subtotal.....	\$ 43,930	\$ 46,605	\$ 47,392
(R)Office of Consumer Advocate.....	3,760	4,115	4,273
(R)Consumer Advocate Costs.....	235	0	0
Computer Enhancements.....	0	0	1,190
Communications Assistance for Law Enforcement.....	0	0	766
Statewide Radio System.....	0	0	1,355
Drug Law Enforcement.....	18,160	19,067^b	19,412
(F)High Intensity Drug Trafficking Areas.....	1,167	6,167	2,791
(F)DCSI - Criminal History Records Audits.....	64	0	0
(F)DCSI - Monitoring Prescription Abuse.....	231	117	39
(F)DCSI - Financial Investigations and Money Laundering.....	9	530	327
(A)Recovery of Narcotics Investigation Overtime Costs.....	45	35	36
(A)Seized/Forfeited Property - State Court Awarded.....	248	445	441
(A)Reimbursement from PCCD.....	170	0	0
Subtotal.....	\$ 20,094	\$ 26,361	\$ 23,046
Local Drug Task Forces.....	6,798	6,937^c	7,346
(F)DCSI - Organized Crime and Drug Enforcement.....	0	187	563
(A)Reimbursement from PCCD.....	0	188	0
Drug Strike Task Force.....	0	1,537	1,562
Capital Appeals Case Unit.....	500	500	595
Subtotal - State Funds.....	\$ 58,316	\$ 61,932	\$ 67,086
Subtotal - Federal Funds.....	7,798	14,571	11,635
Subtotal - Augmentations.....	5,208	5,812	5,094
Subtotal - Restricted Revenues.....	3,995	4,115	4,273
Total - General Government.....	\$ 75,317	\$ 86,430	\$ 88,088
Grants and Subsidies:			
County Trial Reimbursement.....	\$ 150	\$ 150	\$ 150
Extraordinary Trial Costs.....	176	0	0
Total - Grants and Subsidies.....	\$ 326	\$ 150	\$ 150

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 58,642	\$ 62,082	\$ 67,236
FEDERAL FUNDS.....	7,798	14,571	11,635
AUGMENTATIONS.....	5,208	5,812	5,094
RESTRICTED REVENUES.....	3,995	4,115	4,273
GENERAL FUND TOTAL.....	\$ 75,643	\$ 86,580	\$ 88,238
OTHER FUNDS:			
GENERAL FUND:			
Seized/Forfeited Property - State Court Awarded.....	\$ 1,056	\$ 1,395	\$ 1,814
Seized/Forfeited Property - U.S. Department of Justice.....	517	1,337	699
Seized/Forfeited Property - PSP-OAG Agreement.....	180	1,490	600
OAG Investigative Funds - Outside Sources.....	3,204	3,616	3,701
Seized/Forfeited Property - U.S. Treasury Department.....	152	205	155
Public Protection Law Enforcement.....	1,927	2,125	1,520
Coroner's Education Board.....	47	24	20
GENERAL FUND TOTAL.....	\$ 7,083	\$ 10,192	\$ 8,509
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 58,642	\$ 62,082	\$ 67,236
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	7,798	14,571	11,635
AUGMENTATIONS.....	5,208	5,812	5,094
RESTRICTED.....	3,995	4,115	4,273
OTHER FUNDS.....	7,083	10,192	8,509
TOTAL ALL FUNDS.....	\$ 82,726	\$ 96,772	\$ 96,747

^a Includes \$47,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$21,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^c Includes \$4,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 58,642	\$ 62,082	\$ 67,236	\$ 65,625	\$ 66,935	\$ 68,271	\$ 69,633
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	7,798	14,571	11,635	11,111	10,629	10,621	10,621
OTHER FUNDS.....	16,286	20,119	17,876	18,232	18,596	18,967	19,346
SUBCATEGORY TOTAL.....	\$ 82,726	\$ 96,772	\$ 96,747	\$ 94,968	\$ 96,160	\$ 97,859	\$ 99,600
ALL PROGRAMS:							
GENERAL FUND.....	\$ 58,642	\$ 62,082	\$ 67,236	\$ 65,625	\$ 66,935	\$ 68,271	\$ 69,633
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	7,798	14,571	11,635	11,111	10,629	10,621	10,621
OTHER FUNDS.....	16,286	20,119	17,876	18,232	18,596	18,967	19,346
DEPARTMENT TOTAL.....	\$ 82,726	\$ 96,772	\$ 96,747	\$ 94,968	\$ 96,160	\$ 97,859	\$ 99,600



PROGRAM OBJECTIVE: To enforce the criminal laws of the Commonwealth to protect the interests of Pennsylvania citizens in areas of consumer protection, antitrust enforcement, operation of charitable trusts and organizations, and civil rights; and to provide legal services to Commonwealth agencies.

Program: Public Protection and Law Enforcement

The Attorney General as the chief law enforcement officer of the Commonwealth is charged with the responsibility for the investigation and prosecution of organized crime and public corruption. The agency investigates and prosecutes criminal activity in accordance with Sections 205 and 206 of the Commonwealth Attorneys Act, and utilizes Statewide investigative grand juries as appropriate. The Attorney General's Office works with the State Police to curtail drug abuse in the Commonwealth by immobilizing illegal drug traffickers. Last year, over 3,847 drug traffickers were arrested, of whom 269 were considered major.

Other major activities of this program involve: decreasing the incidence of fraud and deceptive business practices and securing recovery of damages to the Commonwealth and its citizens; encouraging free enterprise and competition; prosecuting hazardous waste cases; and

providing for representation of the consumer in utility rate proceedings before the Public Utility Commission through the Office of the Consumer Advocate. The Consumer Advocate also represents the consumer in cases such as competition in the electric, gas and telecommunications industries, filings of alternative regulatory plans by telephone utilities, purchased gas cases, and filings by major natural gas pipelines. Act 166 of 1994 established a Section of Insurance Fraud to prosecute and investigate insurance fraud within the Attorney General's Office.

This program also provides legal services for governmental agencies of the Commonwealth, as required by Section 204 of the Commonwealth Attorneys Act. Specifically, the Attorney General's Office represents the Commonwealth in any action brought by or against the Commonwealth or its agencies, particularly tort claims.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Cases presented to the Statewide Investigating Grand Jury	62	60	60	60	60	60	60
Local drug task force arrests	4,604	4,750	5,500	5,500	5,500	5,500	5,500
Drug arrests resulting from Grand Jury presentments	154	172	172	172	172	172	172
Review of estates, charities, nonprofits, and healthcare conversions for compliance with rules and regulations	1,571	1,600	1,600	1,600	1,600	1,600	1,600
Consumer complaints concerning business practices investigated and mediated	27,916	31,000	31,000	31,000	31,000	31,000	31,000
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$5,950	\$6,500	\$6,600	\$6,700	\$6,800	\$6,900	\$6,900
Rate cases argued by the Consumer Advocate	45	38	N/A	N/A	N/A	N/A	N/A
Other cases argued by the Consumer Advocate	232	272	N/A	N/A	N/A	N/A	N/A
Antitrust and oil overcharge cases: settlements with or without court action ...	8	10	10	10	10	10	10
Antitrust cases: dollars paid or agreed to be paid to the Commonwealth or directly to its citizens (in thousands)	\$1,320	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300

Local drug task force arrests were greater than expected in last year's budget due to an increase in the number of task forces and local participation.

Drug arrests resulting from grand jury presentments were less than projected in last year's budget due to a change in focus toward longer-term organizational cases that require more time and effort to develop.

Antitrust cases: dollars paid or agreed to be paid were less than expected in last year's budget because several cases were carried over.

Program: Public Protection and Law Enforcement (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND		
\$ 969	General Government Operations —to continue current program.	\$ 345	Drug Law Enforcement —to continue current program.
\$ 766	Communications Assistance For Law Enforcement —Initiative — Upgrading Electronic Surveillance Equipment. To upgrade electronic surveillance equipment in order to comply with Federal standards.	\$ 409	Local Drug Task Forces —to continue current program.
\$ 1,190	Computer Enhancements —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative support and information technology for an improved case management system and enhanced investigations of Internet crimes. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.	\$ 25	Drug Strike Task Force —to continue current program.
\$ 1,355	Statewide Radio System —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides base stations, and mobile and portable radio equipment for agency participation in the Statewide Radio System. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.	\$ 95	Capital Appeals Case Unit —to continue current program.

County Trials Reimbursements is recommended at the current year funding level.

This Office also recommends the following to the Office of the Consumer Advocate from its restricted account in the General Fund.

	Office of the Consumer Advocate		
\$ 158	—to continue current program.		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 32,858	\$ 33,891	\$ 34,860	\$ 35,557	\$ 36,268	\$ 36,993	\$ 37,733
Communications Assistance for Law Enforcement	0	0	766	0	0	0	0
Computer Enhancements	0	0	1,190	425	434	443	451
Statewide Radio System	0	0	1,355	0	0	0	0
Drug Law Enforcement	18,160	19,067	19,412	19,800	20,196	20,600	21,012
Local Drug Task Forces	6,798	6,937	7,346	7,493	7,643	7,796	7,952
Drug Strike Task Force	0	1,537	1,562	1,593	1,625	1,658	1,691
Capital Appeals Case Unit	500	500	595	607	619	631	644
County Trial Reimbursement	150	150	150	150	150	150	150
Extraordinary Trial Costs	176	0	0	0	0	0	0
TOTAL GENERAL FUND	\$ 58,642	\$ 62,082	\$ 67,236	\$ 65,625	\$ 66,935	\$ 68,271	\$ 69,633



AUDITOR GENERAL

The Department of the Auditor General post-audits the affairs of State Government agencies and certain local government agencies, officials and organizations. The objective is to insure 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 insure that all money due the Commonwealth was reported and transmitted properly.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Auditor General's Office.....	\$ 39,368	\$ 40,609 ^a	\$ 41,765
(F)January 1996 Storm Disaster - Public Assistance.....	0	2	0
(A)Reimbursement Auditing Services.....	6,109	7,805	6,640
(A)Sale of Autos.....	201	0	0
Subtotal.....	\$ 45,678	\$ 48,416	\$ 48,405
Board of Claims.....	1,500	1,564 ^b	1,529
Subtotal - State Funds.....	\$ 40,868	\$ 42,173	\$ 43,294
Subtotal - Federal Funds.....	0	2	0
Subtotal - Augmentations.....	6,310	7,805	6,640
Total - General Government.....	\$ 47,178	\$ 49,980	\$ 49,934
<i>Grants and Subsidies:</i>			
Municipal Pension System State Aid.....	\$ 549	\$ 708	\$ 113
STATE FUNDS.....	\$ 41,417	\$ 42,881	\$ 43,407
FEDERAL FUNDS.....	0	2	0
AUGMENTATIONS.....	6,310	7,805	6,640
GENERAL FUND TOTAL.....	\$ 47,727	\$ 50,688	\$ 50,047
OTHER FUNDS:			
MUNICIPAL PENSION AID FUND:			
Municipal Pension Aid.....	\$ 135,427	\$ 140,000	\$ 140,000
SUPPLEMENTAL STATE ASSISTANCE FUND:			
Supplemental State Assistance (EA).....	\$ 549	\$ 708	\$ 113
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 41,417	\$ 42,881	\$ 43,407
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	2	0
AUGMENTATIONS.....	6,310	7,805	6,640
OTHER FUNDS.....	135,976	140,708	140,113
TOTAL ALL FUNDS.....	\$ 183,703	\$ 191,396	\$ 190,160

^a Includes \$60,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
AUDITING							
GENERAL FUND.....	\$ 40,868	\$ 42,173	\$ 43,294	\$ 44,160	\$ 45,043	\$ 45,944	\$ 46,862
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	2	0	0	0	0	0
OTHER FUNDS.....	6,310	7,805	6,640	6,773	6,908	7,046	7,187
SUBCATEGORY TOTAL.....	\$ 47,178	\$ 49,980	\$ 49,934	\$ 50,933	\$ 51,951	\$ 52,990	\$ 54,049
MUNICIPAL PENSION SYSTEMS							
GENERAL FUND.....	\$ 549	\$ 708	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	135,976	140,708	140,113	142,915	145,773	148,688	151,661
SUBCATEGORY TOTAL.....	\$ 136,525	\$ 141,416	\$ 140,226	\$ 143,028	\$ 145,886	\$ 148,801	\$ 151,774
ALL PROGRAMS:							
GENERAL FUND.....	\$ 41,417	\$ 42,881	\$ 43,407	\$ 44,273	\$ 45,156	\$ 46,057	\$ 46,975
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	2	0	0	0	0	0
OTHER FUNDS.....	142,286	148,513	146,753	149,688	152,681	155,734	158,848
DEPARTMENT TOTAL.....	\$ 183,703	\$ 191,396	\$ 190,160	\$ 193,961	\$ 197,837	\$ 201,791	\$ 205,823



PROGRAM OBJECTIVE: To insure that all revenue to which the Commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.

Program: Auditing

The Auditor General is required by the Fiscal Code to audit the financial affairs of State Government. Each year, the department performs thousands of regular and special post audits of Commonwealth agencies, persons, associations and corporations to insure money is disbursed legally and properly. The Auditor General also examines accounts of revenue collecting agents to assure that all funds due the Commonwealth have been reported and transmitted properly and that the Commonwealth's financial statements conform to Generally Accepted Accounting Principles (GAAP).

The Single Audit, which is a single financial/compliance audit of the Commonwealth's Federal aid programs, and an audit of the Commonwealth's General Purpose Financial

Statements are jointly performed by the Auditor General and an independent certified public accounting firm.

The Fiscal Code also requires the Auditor General to audit public assistance payments to determine the eligibility of persons receiving public assistance grants. Recipients are subject to continuous audit. These audits serve to adjust grants to persons either ineligible or receiving overpayments or underpayments.

In addition to fiscal duties, the Auditor General serves as a member of the State Public School Building Authority and other major Commonwealth boards and commissions.

The Board of Claims operates within this program as an independent judicial and administrative body with jurisdiction to hear and determine claims against the Commonwealth that equal or exceed \$300.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Auditor General's Office	Board of Claims
\$ 1,156 —to continue current program.	\$ 14 —to continue current program.
	—49 —nonrecurring expenses.
	<u>\$ -35</u> <i>Appropriation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Auditor General's Office	\$ 39,368	\$ 40,609	\$ 41,765	\$ 42,600	\$ 43,452	\$ 44,321	\$ 45,207
Board of Claims	1,500	1,564	1,529	1,560	1,591	1,623	1,655
TOTAL GENERAL FUND	\$ 40,868	\$ 42,173	\$ 43,294	\$ 44,160	\$ 45,043	\$ 45,944	\$ 46,862

PROGRAM OBJECTIVE: To assist municipal pension systems through loans and disbursement of annual supplemental State assistance.

Program: Municipal Pension Systems

In 1984, the General Assembly passed Act 205 known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the Commonwealth's municipal pension systems. The act requires the submission of municipal pension plan actuarial reports to the Public Employee Retirement Commission (PERC) every two years and establishes criteria for determination of actuarial soundness and the amount of State financed support that will be provided.

The Auditor General is responsible for audits of approximately 1,300 municipal pension funds for nonuniformed employees where municipalities choose to

allocate State aid to those funds. Under Act 205, the Auditor General is responsible for the administration of the Supplemental State Assistance Program, including disbursement of funds to distressed municipal pension systems based on certifications provided by PERC. Since 1989-90, revenues for the Supplemental State Assistance Fund have been provided entirely by General Fund appropriations which cannot exceed \$35 million annually. This program and fund shall terminate in 2003 or in the first year in which there are no municipalities entitled to receive Supplemental State Assistance, whichever occurs earlier.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-595	<p>Municipal Pension System State Aid —to provide the amount certified by the Public Employee Retirement Commission for a recovery program for financially distressed municipal pension systems.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Municipal Pension System State Aid.....	\$ 549	\$ 708	\$ 113	\$ 113	\$ 113	\$ 113	\$ 113
	<u>549</u>	<u>708</u>	<u>113</u>	<u>113</u>	<u>113</u>	<u>113</u>	<u>113</u>



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 preauditing all requisitions for the expenditures of funds and for disbursement of all State monies upon proper authorization to those entitled to receive payment.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
State Treasurer's Office.....	\$ 19,979	\$ 21,031 ^a	\$ 21,630
(A)Expenses - Unemployment Compensation.....	1,866	1,850	1,810
(A)Fees - Federal Savings Bonds.....	21	25	25
(A)Receipts From SWIF.....	224	270	270
(A)Sale of Automobiles.....	1	2	2
(A)Unclaimed Property - Reimbursement.....	5,951	4,972	6,200
(A)Photocopy Services.....	3	5	5
(A)Unclaimed Property - Reference Fees.....	4	5	5
(A)Administrative Fees.....	253	266	281
(A)Miscellaneous.....	2	0	2
Subtotal.....	\$ 28,304	\$ 28,426	\$ 30,230
Board of Finance and Revenue.....	1,826	2,317 ^b	2,224
Tuition Account Program Advertising.....	1,025	1,056 ^c	1,081
Intergovernmental Organizations.....	767	874	774
Publishing Monthly Statements.....	30	30	30
Replacement Checks (EA).....	735	1,775	1,500
Subtotal.....	\$ 4,383	\$ 6,052	\$ 5,609
Subtotal - State Funds.....	\$ 24,362	\$ 27,083	\$ 27,239
Subtotal - Augmentations.....	8,325	7,395	8,600
Total - General Government.....	\$ 32,687	\$ 34,478	\$ 35,839
<i>Grants and Subsidies:</i>			
Law Enforcement Officers Death Benefits.....	\$ 429	\$ 480	\$ 665
<i>Debt Service:</i>			
Loan and Transfer Agents.....	\$ 59	\$ 225	\$ 225
Tax Note Expenses.....	108	170	170
(A)Student Community Building Fees.....	790	625	1,000
Interest on Tax Anticipation Notes (EA).....	6,352	16,620	16,620
Commercial Paper Costs (EA).....	0	1,000	1,000
General Obligation Debt Service.....	617,333	560,428	626,915
Subtotal - State Funds.....	\$ 623,852	\$ 578,443	\$ 644,930
Subtotal - Augmentations.....	790	625	1,000
Total - Debt Service.....	\$ 624,642	\$ 579,068	\$ 645,930
STATE FUNDS.....	\$ 648,643	\$ 606,006	\$ 672,834
AUGMENTATIONS.....	9,115	8,020	9,600
GENERAL FUND TOTAL.....	\$ 657,758	\$ 614,026	\$ 682,434
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Administration Refunding Liquid Fuels Tax.....	\$ 346	\$ 458	\$ 452
<i>Refunds:</i>			
Replacement Checks - Motor License Fund.....	\$ 30	\$ 300	\$ 300
Refunding Liquid Fuels Tax - Agriculture.....	1,767	3,200	4,500
Refunding Liquid Fuels Tax - State Share.....	498	500	650
Refunding Emergency Liquid Fuels Tax.....	0	1	1
Refunding Liquid Fuels Tax - Political Subdivisions.....	2,300	2,300	3,000
Refunding Liquid Fuels Tax - Volunteer Services.....	69	350	350
Refunding Marine Liquid Fuels Tax - Boat Fund.....	1,404	2,300	2,300



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Total - Refunds.....	\$ 6,068	\$ 8,951	\$ 11,101
Debt Service:			
Capital Debt Transportation Projects.....	\$ 113,377	\$ 110,514	\$ 98,126
General Obligation Debt Service.....	1,301	1,260	1,327
(R)Capital Bridge Debt (EA).....	29,745	29,684	28,552
(R)Aviation Debt Service.....	27	27	27
Loan and Transfer Agent.....	49	135	135
Subtotal - State Funds.....	\$ 114,727	\$ 111,909	\$ 99,588
Subtotal - Restricted Revenues.....	29,772	29,711	28,579
Total - Debt Service.....	\$ 144,499	\$ 141,620	\$ 128,167
STATE FUNDS.....	\$ 121,141	\$ 121,318	\$ 111,141
FEDERAL FUNDS.....	0	0	0
RESTRICTED REVENUES.....	29,772	29,711	28,579
MOTOR LICENSE FUND TOTAL.....	\$ 150,913	\$ 151,029	\$ 139,720
BANKING DEPARTMENT FUND:			
<i>General Government:</i>			
Replacement Checks-Banking Department Fund (EA).....	\$ 0	\$ 5	\$ 5
BANKING DEPARTMENT FUND TOTAL.....	\$ 0	\$ 5	\$ 5
BOAT FUND:			
<i>General Government:</i>			
Replacement Checks-Boat Fund (EA).....	\$ 0	\$ 5	\$ 5
BOAT FUND TOTAL.....	\$ 0	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND:			
<i>General Government:</i>			
Replacement Checks-Farm Products Show Fund (EA).....	\$ 0	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND TOTAL.....	\$ 0	\$ 5	\$ 5
FISH FUND:			
<i>General Government:</i>			
Replacement Checks-Fish Fund (EA).....	\$ 0	\$ 5	\$ 5
FISH FUND TOTAL.....	\$ 0	\$ 5	\$ 5
GAME FUND:			
<i>General Government:</i>			
Replacement Checks-Game Fund (EA).....	\$ 0	\$ 5	\$ 5
GAME FUND TOTAL.....	\$ 0	\$ 5	\$ 5
LOTTERY FUND:			
<i>General Government:</i>			
Replacement Checks-Lottery Fund (EA).....	\$ 11	\$ 100	\$ 100



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
LOTTERY FUND TOTAL.....	\$ 11	\$ 100	\$ 100
MILK MARKETING FUND:			
<i>General Government:</i>			
Replacement Checks-Milk Marketing Fund (EA).....	\$ 0	\$ 5	\$ 5
<i>Refunds:</i>			
Refunding Licenses and Fees-Milk Marketing Fund (EA).....	\$ 0	\$ 5	\$ 5
MILK MARKETING FUND TOTAL.....	\$ 0	\$ 10	\$ 10
RACING FUND:			
<i>General Government:</i>			
Replacement Checks-Racing Fund (EA).....	\$ 1	\$ 10	\$ 10
RACING FUND TOTAL.....	\$ 1	\$ 10	\$ 10
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>General Government:</i>			
Bond Issuance Expenses.....	\$ 9	\$ 0	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 9	\$ 0	\$ 0
OTHER FUNDS:			
TUITION PAYMENT FUND:			
Tuition Account Program Bureau.....	\$ 444	\$ 1,004	\$ 1,033
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 648,643	\$ 606,006	\$ 672,834
SPECIAL FUNDS.....	121,162	121,463	111,286
AUGMENTATIONS.....	9,115	8,020	9,600
RESTRICTED.....	29,772	29,711	28,579
OTHER FUNDS.....	444	1,004	1,033
TOTAL ALL FUNDS.....	\$ 809,136	\$ 766,204	\$ 823,332

^a Includes \$31,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$3,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^c Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
DISBURSEMENT							
GENERAL FUND.....	\$ 23,994	\$ 26,659	\$ 27,100	\$ 27,599	\$ 28,107	\$ 28,626	\$ 29,155
SPECIAL FUNDS.....	6,426	9,554	11,698	11,698	11,698	11,698	11,698
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8,769	8,399	9,633	9,826	10,023	10,225	10,430
SUBCATEGORY TOTAL.....	\$ 39,189	\$ 44,612	\$ 48,431	\$ 49,123	\$ 49,828	\$ 50,549	\$ 51,283
INTERSTATE RELATIONS							
GENERAL FUND.....	\$ 767	\$ 874	\$ 774	\$ 774	\$ 774	\$ 774	\$ 774
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.....	\$ 767	\$ 874	\$ 774	\$ 774	\$ 774	\$ 774	\$ 774
DEBT SERVICE							
GENERAL FUND.....	\$ 623,882	\$ 578,473	\$ 644,960	\$ 704,083	\$ 763,731	\$ 789,472	\$ 793,778
SPECIAL FUNDS.....	114,736	111,909	99,588	83,056	62,538	44,305	34,043
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	30,562	30,336	29,579	27,367	25,247	24,873	24,426
SUBCATEGORY TOTAL.....	\$ 769,180	\$ 720,718	\$ 774,127	\$ 814,506	\$ 851,516	\$ 858,650	\$ 852,247
ALL PROGRAMS:							
GENERAL FUND.....	\$ 648,643	\$ 606,006	\$ 672,834	\$ 732,456	\$ 792,612	\$ 818,872	\$ 823,707
SPECIAL FUNDS.....	121,162	121,463	111,286	94,754	74,236	56,003	45,741
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	39,331	38,735	39,212	37,193	35,270	35,098	34,856
DEPARTMENT TOTAL.....	\$ 809,136	\$ 766,204	\$ 823,332	\$ 864,403	\$ 902,118	\$ 909,973	\$ 904,304

PROGRAM OBJECTIVE: To receive and safeguard the monies of the Commonwealth, to manage the funds to the best advantage of the Commonwealth and to insure that all disbursements of funds are legal and proper.

Program: Disbursement

The Treasury Department is required by the Fiscal Code to receive and deposit all monies of the Commonwealth; to invest in short-term securities any Commonwealth monies which accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to preaudit all requisitions for the expenditure of funds; and to disburse all State monies upon proper authorization to those entitled to receive payment. In this capacity the department is responsible for the receipt, custody and disbursement of billions of dollars each year.

The Treasury Department also audits disbursement records, maintains accounting controls and disburses all checks to recipients of public assistance. Thousands of checks are processed each working day for distribution to recipients. This processing includes preauditing, collating, authenticating and mailing the checks to individual recipients and banks. Hundreds of participating banks throughout the Commonwealth distribute thousands of checks daily.

The State Treasurer is Chairman of the Board of Finance and Revenue and serves on various public retirement boards, the State Highway and Bridge Authority and several other boards and commissions.

The Board of Finance and Revenue operates within this program by reviewing and deciding appeals concerning settlements made between the Commonwealth and persons, associations and corporations. The board also administers

the program for refunding certain monies to which the Commonwealth is not legally entitled.

Under the provisions of Act 101 of 1976, as amended by Act 161 of 1994, the Treasury Department is required to pay death benefits, adjusted annually for inflation, to the surviving spouse or children of firemen 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 firemen or law enforcement officers. This current payment includes benefit increases with inflation.

The Treasury Department administers the Tuition Account Program that provides for the advance purchase of tuition credits for students who will attend institutions of higher education.

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 seven 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 cover the costs of paying claims as well as the administrative costs of the program.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Disbursements issued	10,006,950	10,100,000	10,100,000	N/A	N/A	N/A	N/A
Interest earned on investments:							
General Fund (in thousands)	\$ 94,830	\$ 88,000	\$ 82,000	N/A	N/A	N/A	N/A
Motor License Fund (in thousands)	33,126	26,924	25,677	N/A	N/A	N/A	N/A
TOTAL	\$ 127,956	\$ 114,924	\$ 107,677	N/A	N/A	N/A	N/A

Interest earned on investments in the Motor License Fund is higher than shown in last year's budget due to an increase in the available balance resulting from additional revenue generated as a result of Act 3 of 1997.

Program Recommendations:		This budget recommends the following changes: (Dollar Amounts in Thousands)	
GENERAL FUND	Board of Finance and Revenue		
State Treasurer's Office	—to continue current program.	\$ 62	
\$ 599 —to continue current program.	—nonrecurring fixed assets.	-155	
	<i>Appropriation Decrease</i>	\$ -93	

Program: Disbursement (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 25 Tuition Account Program Advertising —to continue current program.</p> <p>\$ -275 Replacement Checks (EA) —based on most recent projection of program requirements.</p> <p>\$ 185 Law Enforcement Officers Death Benefits —to continue current program.</p> <p>\$ -6 MOTOR LICENSE FUND Administration Refunding Liquid Fuels Tax —based on most recent projection of program requirements.</p>	<p>\$ 1,300 Refunding Liquid Fuels Tax — Agriculture —to continue current program.</p> <p>\$ 150 Refunding Liquid Fuels Tax — State Share —to continue current program.</p> <p>\$ 700 Refunding Liquid Fuels Tax — Political Subdivisions —to continue current program.</p>	<p>All other appropriations are recommended at the current year funding levels.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
State Treasurer's Office	\$ 19,979	\$ 21,031	\$ 21,630	\$ 22,063	\$ 22,504	\$ 22,954	\$ 23,413
Board of Finance and Revenue	1,826	2,317	2,224	2,268	2,313	2,359	2,406
Tuition Account Program Advertising	1,025	1,056	1,081	1,103	1,125	1,148	1,171
Replacement Checks (EA)	735	1,775	1,500	1,500	1,500	1,500	1,500
Law Enforcement Officers Death Benefits ..	429	480	665	665	665	665	665
TOTAL GENERAL FUND	\$ 23,994	\$ 26,659	\$ 27,100	\$ 27,599	\$ 28,107	\$ 28,626	\$ 29,155
MOTOR LICENSE FUND:							
Administration Refunding Liquid Fuels Tax	\$ 346	\$ 458	\$ 452	\$ 452	\$ 452	\$ 452	\$ 452
Replacement Checks — Motor License Fund	30	300	300	300	300	300	300
Refunding Liquid Fuels Tax — Agriculture ..	1,767	3,200	4,500	4,500	4,500	4,500	4,500
Refunding Liquid Fuels Tax — State Share	498	500	650	650	650	650	650
Refunding Emergency Liquid Fuels Tax	0	1	1	1	1	1	1
Refunding Liquid Fuels Tax — Political Subdivisions	2,300	2,300	3,000	3,000	3,000	3,000	3,000
Refunding Liquid Fuels Tax — Volunteer Services	69	350	350	350	350	350	350
Refunding Marine Liquid Fuels Tax — Boat Fund	1,404	2,300	2,300	2,300	2,300	2,300	2,300
TOTAL MOTOR LICENSE FUND	\$ 6,414	\$ 9,409	\$ 11,553	\$ 11,553	\$ 11,553	\$ 11,553	\$ 11,553
BANKING DEPARTMENT FUND:							
Replacement Checks-Banking Department Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
BOAT FUND:							
Replacement Checks-Boat Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND:							
Replacement Checks-Farm Products Show Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
FISH FUND:							
Replacement Checks-Fish Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
GAME FUND:							
Replacement Checks-Game Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5



Program: Disbursement (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
LOTTERY FUND:							
Replacement Checks — Lottery Fund (EA)	\$ 11	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
MILK MARKETING FUND:							
Replacement Checks — Milk Marketing Fund (EA)	\$ 0	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Refunding Licenses and Fees — Milk Marketing Fund (EA)	0	5	5	5	5	5	5
TOTAL MILK MARKETING FUND	\$ 0	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
RACING FUND:							
Replacement Checks — Racing Fund (EA)	\$ 1	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10



PROGRAM OBJECTIVE: To promote interstate cooperation and progress through participation in various associations and organizations both regionally and nationally.

Program: Interstate Relations

Pennsylvania helps promote interstate progress and cooperation through participation in various organizations, associations and commissions with other states and other units of government. As a member of the Council of State Governments, Education Commission of the States, National Conference of State Legislatures and the National Governors' Association, Pennsylvania helps coordinate ideas on programs, interstate progress, budgets, Federal-State relations, education, labor, research, governmental techniques and general information with other states, the Congress and the Federal Executive Branch.

The Governmental Accounting Standards Board is also included within this program. The board provides guidance and establishes standards to promote uniformity and

comparability in governmental accounting and financial reporting.

The State and Local Legal Center provides for Pennsylvania's participation in a center to advance and defend the interests of state and local governments in matters involving Federal preemption, state taxing and spending powers, the tenth amendment 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)

		Intergovernmental Organizations
\$	23	—to continue current program.
	<u>-123</u>	—nonrecurring cost.
\$	-100	<i>Appropriation Decrease</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Intergovernmental Organizations	\$ 767	\$ 874	\$ 774	\$ 774	\$ 774	\$ 774	\$ 774

PROGRAM OBJECTIVE: To provide for interest and principal requirements of notes and bonds issued by the Commonwealth and other expenses related to debt service.

Program: Debt Service

The Commonwealth, through the Treasury Department, is obligated to meet principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the State to cover the cost of financing public improvements which represent such a heavy financial burden that they cannot be funded through current revenues. These bond issues have provided funds for the acquisition and development of public recreation and historic sites and facilities; payment of compensation to veterans of the Vietnam Conflict; payment for disaster recovery costs; economic revitalization efforts; low-cost loans for water supply and sewage treatment improvements; loans to volunteer fire companies; and a

wide variety of construction and renovation projects for hospitals, higher education facilities, State parks, flood control, correctional institutions and various public buildings. Bond issues have also provided funds to bring nursing homes in compliance with the standards of the State Life Safety Code.

The Commonwealth has saved substantial amounts of debt service interest payments 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 and expects to achieve further interest savings from additional refunding of bonds.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND</p> <p>\$ 66,487 —the net effect on principal and interest requirements and other costs relating to the General Fund debt service.</p>	<p>MOTOR LICENSE FUND</p> <p>\$ -12,321 —the net effect on principal and interest requirements and other costs relating to the Motor License Fund debt service.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Publishing Monthly Statements	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
Loan and Transfer Agents	59	225	225	225	225	225	225
Tax Note Expenses	108	170	170	170	170	170	170
Interest on Tax Anticipation Notes (EA)	6,352	16,620	16,620	16,620	16,620	16,620	16,620
Commercial Paper Costs (EA)	0	1,000	1,000	1,000	1,000	1,000	1,000
General Obligation Debt Service	617,333	560,428	626,915	686,038	745,686	771,427	775,733
TOTAL GENERAL FUND	\$ 623,882	\$ 578,473	\$ 644,960	\$ 704,083	\$ 763,731	\$ 789,472	\$ 793,778
MOTOR LICENSE FUND:							
Capital Debt Transportation Projects	\$ 113,377	\$ 110,514	\$ 98,126	\$ 79,840	\$ 59,112	\$ 40,964	\$ 30,702
General Obligation Debt Service	1,301	1,260	1,327	3,081	3,291	3,206	3,206
Loan and Transfer Agent	49	135	135	135	135	135	135
TOTAL MOTOR LICENSE FUND	\$ 114,727	\$ 111,909	\$ 99,588	\$ 83,056	\$ 62,538	\$ 44,305	\$ 34,043



DEPARTMENT OF AGING

The Department of Aging consolidates services for older Pennsylvanians and provides a single point of contact through which these older Pennsylvanians can address their concerns to State Government. The Secretary of Aging serves as a cabinet-level contact and is routinely advised of citizens' concerns through a network including area agency advisory boards, regional councils and the Pennsylvania Council on Aging.

Statewide services are provided through the local Area Agencies on Aging. Services include nutrition, employment, transportation, domiciliary care, protection, long-term care assessment and both basic and intensive in-home services. Additionally, the Department of Aging manages the pharmaceutical assistance program for older Pennsylvanians.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds (in thousands)
Expanding Home and Community-Based Opportunities for Persons with Disabilities		

GENERAL FUND

This Program Revision provides \$750,000 in Federal and Other funds for home and community-based services for an additional 3,000 older Pennsylvanians as an alternative to nursing home care. This is part of the \$35.3 million Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision. Please see the Program Revision following the Human Services Program in the Department of Public Welfare for additional information on this Program Revision.

Vision for a 21st Century Environment

LOTTERY FUND

PENNCARE.....	\$	150
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This Program Revision provides funding and makes recommendations for improved land use planning. This is part of the \$93.9 million Vision for the 21st Century Program Revision. Please see the Program Revision following the Environmental Protection and Management Program in the Department of Environmental Protection for additional information on this Program Revision.

Department Total.....	\$	<u>150</u>
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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Medical Assistance Support.....	\$ 293	\$ 307	\$ 316
(F)Medical Assistance Support.....	3,797	4,814	5,735
(A)Intergovernmental Transfer - Administration.....	3,411	4,060	4,918
Subtotal - State Funds.....	\$ 293	\$ 307	\$ 316
Subtotal - Federal Funds.....	3,797	4,814	5,735
Subtotal - Augmentations.....	3,411	4,060	4,918
Total - General Government.....	\$ 7,501	\$ 9,181	\$ 10,969
<i>Grants and Subsidies:</i>			
Family Caregiver.....	\$ 10,076	\$ 10,128	\$ 10,371
(F)DCSI - Elder Abuse Education and Prevention.....	72	0	0
Subtotal.....	\$ 10,148	\$ 10,128	\$ 10,371
Pre-Admission Assessment.....	4,617	5,243	5,311
(F)Pre-Admission Assessment.....	5,843	9,665	10,020
(A)Intergovernmental Transfer.....	183	187	3,191
Subtotal.....	\$ 10,643	\$ 15,095	\$ 18,522
Grants to Senior Centers.....	4,000	4,000	2,000
Legal Advocacy for Older Pennsylvanians.....	200	150	0
Subtotal - State Funds.....	\$ 18,893	\$ 19,521	\$ 17,682
Subtotal - Federal Funds.....	5,915	9,665	10,020
Subtotal - Augmentations.....	183	187	3,191
Total - Grants and Subsidies.....	\$ 24,991	\$ 29,373	\$ 30,893
STATE FUNDS.....	\$ 19,186	\$ 19,828	\$ 17,998
FEDERAL FUNDS.....	9,712	14,479	15,755
AUGMENTATIONS.....	3,594	4,247	8,109
GENERAL FUND TOTAL.....	\$ 32,492	\$ 38,554	\$ 41,862
LOTTERY FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 4,788	\$ 5,796	\$ 5,912
(F)Programs for the Aging - Title III - Administration.....	1,817	1,817	1,817
(F)Programs for the Aging - Title V - Administration.....	173	173	173
(F)Medical Assistance - Administration.....	0	357	375
(F)DCSI - Older Adult Protective Services Act.....	38	213	150
(A)Day Care Licensure.....	7	6	6
(A)Older Adult Protective Services Act.....	13	38	0
Subtotal - State Funds.....	\$ 4,788	\$ 5,796	\$ 5,912
Subtotal - Federal Funds.....	2,028	2,560	2,515
Subtotal - Augmentations.....	20	44	6
Total - General Government.....	\$ 6,836	\$ 8,400	\$ 8,433
<i>Grants and Subsidies:</i>			
PENNCARE.....	\$ 174,745	\$ 181,397	\$ 186,786
(F)Programs for the Aging - Title III.....	43,540	47,000	47,000
(F)Programs for the Aging - Nutrition.....	8,500	8,500	8,500
(F)Programs for the Aging - Title V - Employment.....	4,532	4,700	5,250
(F)Programs for the Aging - Title VII - Elder Rights Protection.....	438	1,500	2,250
(F)Medical Assistance - Attendant Care.....	309	565	1,175

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Subtotal.....	\$ 232,064	\$ 243,662	\$ 250,961
Pharmaceutical Assistance Fund.....	237,000	260,000	260,000
Subtotal - State Funds.....	\$ 411,745	\$ 441,397	\$ 446,786
Subtotal - Federal Funds.....	57,319	62,265	64,175
Total - Grants and Subsidies.....	\$ 469,064	\$ 503,662	\$ 510,961
STATE FUNDS.....	\$ 416,533	\$ 447,193	\$ 452,698
FEDERAL FUNDS.....	59,347	64,825	66,690
AUGMENTATIONS.....	20	44	6
LOTTERY FUND TOTAL.....	\$ 475,900	\$ 512,062	\$ 519,394
OTHER FUNDS:			
PHARMACEUTICAL ASSISTANCE FUND:			
Contracted Services (EA).....	\$ 0 ^a	\$ 0 ^a	\$ 0 ^a
Administration of PACE (EA).....	0 ^b	0 ^b	0 ^b
Comptroller Operations (EA).....	0 ^c	0 ^c	0 ^c
PHARMACEUTICAL ASSISTANCE FUND TOTAL.....	\$ 0	\$ 0	\$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 19,186	\$ 19,828	\$ 17,998
SPECIAL FUNDS.....	416,533	447,193	452,698
FEDERAL FUNDS.....	69,059	79,304	82,445
AUGMENTATIONS.....	3,614	4,291	8,115
TOTAL ALL FUNDS.....	\$ 508,392	\$ 550,616	\$ 561,256

^a Not added to the total to avoid double counting: 1997-98 Actual is \$232,758,000, 1998-99 Available is \$261,475,000 and 1999-00 Budget is \$257,894,000.

^b Not added to the total to avoid double counting: 1997-98 Actual is \$884,000, 1998-99 Available is \$906,000 and 1999-00 Budget is \$916,000.

^c Not added to the total to avoid double counting: 1997-98 Actual is \$390,000, 1998-99 Available is \$440,000 and 1999-00 Budget is \$440,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
COMMUNITY SERVICES FOR OLDER PENNSYLVANIANS							
GENERAL FUND.....	\$ 19,186	\$ 19,828	\$ 17,998	\$ 18,004	\$ 18,010	\$ 18,017	\$ 18,024
SPECIAL FUNDS.....	179,533	187,193	192,698	197,446	202,825	208,351	214,029
FEDERAL FUNDS.....	69,059	79,304	82,445	83,380	84,465	84,637	84,818
OTHER FUNDS.....	3,614	4,291	8,115	10,105	11,190	11,362	11,543
SUBCATEGORY TOTAL.....	\$ 271,392	\$ 290,616	\$ 301,256	\$ 308,935	\$ 316,490	\$ 322,367	\$ 328,414
PHARMACEUTICAL ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	237,000	260,000	260,000	260,000	281,000	321,000	344,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 237,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 281,000	\$ 321,000	\$ 344,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 19,186	\$ 19,828	\$ 17,998	\$ 18,004	\$ 18,010	\$ 18,017	\$ 18,024
SPECIAL FUNDS.....	416,533	447,193	452,698	457,446	483,825	529,351	558,029
FEDERAL FUNDS.....	69,059	79,304	82,445	83,380	84,465	84,637	84,818
OTHER FUNDS.....	3,614	4,291	8,115	10,105	11,190	11,362	11,543
DEPARTMENT TOTAL.....	\$ 508,392	\$ 550,616	\$ 561,256	\$ 568,935	\$ 597,490	\$ 643,367	\$ 672,414

PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

Program: Community Services for Older Pennsylvanians

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 frail older Pennsylvanians to delay or avoid institutionalization. The 52 Area Agencies on Aging, serving all 67 counties, provide aging services at the local level.

Many older Pennsylvanians require only minimal outside support to function independently therefore, a basic service of Area Agencies on Aging (AAA) is to inform these people of available services. AAAs sponsor over 500 senior centers throughout the Commonwealth that provide a full range of socialization, recreational and educational activities. Congregate meals, served by the centers at lunchtime, provide older Pennsylvanians a hot, nutritionally balanced meal. Transportation services arranged by the agencies allow older Pennsylvanians to visit the doctor, shop or attend senior center events. Job placement service helps older Pennsylvanians find unsubsidized private sector employment and offers job training and subsidized part-time community service employment.

Frail older Pennsylvanians require more extensive and personalized services to remain in their homes and communities and avoid placement in an institutional setting such as a nursing home or personal care home. A nursing home pre-admission screening program helps older Pennsylvanians and their families determine the least restrictive environment needed and helps secure and manage intensive in-home services tailored to their needs.

A variety of personal support services are available for the growing population of frail older Pennsylvanians. The most common service is home delivered meals for people unable to prepare adequate meals for themselves or participate in group dining at senior centers. Personal care and related services assist functionally limited persons with key activities of daily living such as eating, dressing and personal hygiene either in their own homes or in adult daily living centers. Home support services provide for performance of labor intensive unskilled or semiskilled maintenance, cleaning tasks or routine household chores. Protective services are provided to older Pennsylvanians who are at imminent risk of abuse, neglect, exploitation or abandonment. Services are designed to provide the least restrictive alternative to meet the client's need.

Attendant care services are maintained for disabled adults transitioning at age 60 from the Department of Public Welfare's Attendant Care Program. The enhanced level of personal care services is provided until health changes indicate a change in care level is appropriate.

The Department of Aging assists families who maintain frail relatives in their home through the Family Caregiver Program. Working through the AAAs, the program provides benefits counseling and, depending on income, financial assistance including supplies, services and home adaptations and devices.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Pennsylvanians 60 years and older	2,421,320	2,415,787	2,410,244	2,418,305	2,426,365	2,434,426	2,422,486
Pennsylvanians 85 years and older	248,188	258,892	269,596	278,999	288,402	297,805	307,208
Persons served who are clinically nursing home eligible*	12,622	12,650	12,650	12,650	12,650	12,650	12,650
Persons receiving assistance:							
Congregate meals	137,877	138,000	138,000	138,000	138,000	138,000	138,000
Transportation (complete round trips)	95,524	95,600	95,600	95,600	95,600	95,600	95,600
Personal assistance services	1,795	1,800	1,800	1,800	1,800	1,800	1,800
Attendant care services	139	230	343	400	460	530	600
Home delivered meals	42,549	42,600	42,600	42,600	42,600	42,600	42,600
Home support services	12,323	12,400	12,400	12,400	12,400	12,400	12,400
Personal care services	26,142	26,200	26,200	26,200	26,200	26,200	26,200
Protective services	7,003	7,000	7,000	7,000	7,000	7,000	7,000

Pennsylvanians 85 years and older increased from last year's budget because of the use of Pennsylvania specific statistics rather than estimates based on nationwide data.

Persons receiving intensive community long-term care program measure was discontinued because it double counted persons served under other measures.

*New program measure this year.



Program: Community Services for Older Pennsylvanians (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Units of services delivered:							
Employment services (unsubsidized job placements)	1,833	1,800	1,800	1,800	1,800	1,800	1,800
Attendant care services (client hours).....	119,759	221,000	340,000	395,000	458,000	527,000	592,000
Home support services (client hours).....	468,313	468,400	468,400	468,400	468,400	468,400	468,400
Personal care services (client hours).....	3,479,134	3,480,000	3,480,000	3,480,000	3,480,000	3,480,000	3,480,000
Families receiving caregiver support	6,874	6,875	6,880	6,880	6,880	6,880	6,880
Pre-Admission Assessment:							
Initial Assessments	51,884	56,350	85,700	85,700	85,700	85,700	85,700
Referrals to nursing homes	36,267	39,350	59,900	59,900	59,900	59,900	59,900
Referrals for community services	15,620	16,950	25,800	25,800	25,800	25,800	25,800

The units of employment services decreased from those shown in last year's budget based on the most recent estimates of service.

The attendant care services client hours increased from those shown in last year's budget to reflect the increased number of clients in the program.

Pre-Admission assessments and referrals for 1998-99 decreased from those shown in last year's budget since a decision on the Taylor vs. White litigation is still pending in court.

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND			PENNCARE
\$ 9	Medical Assistance Support —to continue current program.	\$	3,943	—to continue current program.
\$ 243	Family Caregiver —to continue current program.		1,104	—to continue current Attendant Care Program and provide service to an additional 113 recipients.
\$ 68	Pre-Admission Assessment —to continue current program.		92	—Initiative — Expanded Ombudsman Activities. To expand long-term care ombudsman activities which include assisting consumers to resolve individual complaints and advocating for long-term care system improvements through public education and empowerment.
\$ -2,000	Grants to Senior Centers —nonrecurring projects.		100	—Initiative — Guardianship Services Assessment. To assess the availability of guardianship services for older Pennsylvanians.
\$ -150	Legal Advocacy for Older Pennsylvanians —nonrecurring project.		150	—PRR — Vision for a 21st Century Environment. This Program Revision provides \$150,000 in Lottery funds to establish with the Department of Environmental Protection, the Senior Environmental Corps, a group of non-profit senior volunteers to participate in citizen monitoring activities. See the Program Revision following the Environmental Protection and Management Program in the Department of Environmental Protection for additional information.
\$ 116	LOTTERY FUND General Government Operations —to continue current program.			
		\$	5,389	<i>Appropriation Increase</i>

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program in the Department of Public Welfare provides \$375,000 in Federal funds and \$375,000 in Long-Term Care Intergovernmental Transfer funds to provide home and community-based services for an additional 3,000 older Pennsylvanians as an alternative to nursing home care.

Program: Community Services for Older Pennsylvanians (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Medical Assistance Support	\$ 293	\$ 307	\$ 316	\$ 322	\$ 328	\$ 335	\$ 342
Family Caregiver	10,076	10,128	10,371	10,371	10,371	10,371	10,371
Pre-Admission Assessment	4,617	5,243	5,311	5,311	5,311	5,311	5,311
Grants to Senior Centers	4,000	4,000	2,000	2,000	2,000	2,000	2,000
Legal Advocacy for Older Pennsylvanians..	200	150	0	0	0	0	0
TOTAL GENERAL FUND	\$ 19,186	\$ 19,828	\$ 17,998	\$ 18,004	\$ 18,010	\$ 18,017	\$ 18,024
LOTTERY FUND:							
General Government Operations	\$ 4,788	\$ 5,796	\$ 5,912	\$ 5,556	\$ 5,667	\$ 5,780	\$ 5,896
PENNCARE	174,745	181,397	186,786	191,890	197,158	202,571	208,133
TOTAL LOTTERY FUND	\$ 179,533	\$ 187,193	\$ 192,698	\$ 197,446	\$ 202,825	\$ 208,351	\$ 214,029



PROGRAM OBJECTIVE: To assist eligible older Pennsylvanians who experience difficulty meeting the cost of prescription drugs necessary to maintain healthy lives.

Program: Pharmaceutical Assistance

The pharmaceutical assistance program provides limited pharmaceutical assistance to qualified older Pennsylvanians who are 65 years of age and over and who face a growing burden from the cost of drugs required to maintain healthy, productive lives. The program, financed by Lottery Fund revenue and administered by the Department of Aging, is referred to as PACE.

PACE was expanded by Act 134 of 1996 which increased income eligibility limits and established two programs in PACE. The traditional, comprehensive program is for older Pennsylvanians whose annual income is at or below \$14,000 for single persons and \$17,200 for married persons. PACE pays the entire cost of prescription drugs and insulin supplies after a mandatory copayment of \$6 is made. The PACE Needs Enhancement Tier (PACENET) program is available for older Pennsylvanians whose annual income is between \$14,000 and \$16,000 for single persons and between \$17,200 and \$19,200 for married persons. PACENET pays the entire cost of prescription drugs and insulin supplies after a claimant meets a \$500 per person deductible and a mandatory copayment of \$8 for generic and \$15 for brand-name prescriptions.

Participating pharmacies are reimbursed at 90 percent of the average wholesale costs of prescription drugs plus a dispensing fee, or their usual and customary charge, whichever is less. Pharmacies are required to stock and dispense A-rated generic drugs included in the Federal Drug Administration "Orange Book" unless an A-rated generic is deemed by the Department of Aging to have too

narrow a therapeutic index for safe and effective dosing or the usual and customary charge for the brand drug is equal to or less than the least expensive generic. If claimants choose not to accept the generic, they are liable for the copayment and 70 percent of the average wholesale price of the brand name drug. In addition, Act 134 of 1996 prohibits payment for cosmetic drugs and for less than effective drugs without certification by a physician.

The Department of Aging is responsible for insuring compliance with the PACE 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.

A prudent pharmaceutical purchasing program ensures that the PACE program receives a discount from drug manufacturers. PACE pays for drug products from manufacturers who agree to pay a rebate of 17 percent of the average manufacturer price for both brand and generic drugs purchased through the program. In addition, participating manufacturers agree to pay an excessive pharmaceutical price inflation discount equivalent to the difference between the quarterly average manufacturers price charged for a drug and the average quarterly price charged for that drug one year earlier inflated by the Consumer Price Index-Urban.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Comprehensive PACE Program:							
Older Pennsylvanians enrolled (average).....	255,058	234,460	217,400	202,320	190,100	178,600	167,800
Total prescriptions per year	8,801,428	8,487,500	8,087,300	7,728,600	7,451,900	7,090,400	6,745,600
Average PACE cost per prescription.....	\$28.24	\$31.57	\$34.83	\$38.48	\$42.51	\$46.96	\$51.88
PACE Needs Enhancement Tier (PACENET):							
Older Pennsylvanians enrolled (average).....	11,729	17,070	23,900	28,800	30,950	33,450	35,700
Total prescriptions per year	188,027	303,850	437,400	541,400	597,300	662,300	724,700
Average PACENET cost per prescription	\$28.86	\$32.60	\$35.61	\$39.34	\$43.45	\$48.00	\$53.03

Older Pennsylvanians enrolled and the total prescriptions per year for the PACENET program decreased from those shown in last year's budget because Health Maintenance Organization's (HMOs) have recruited more persons than anticipated into the Medicare plans which provide premium-free prescription benefits.

The average PACENET cost per prescription increased from the projection shown in last year's budget due to higher than projected pharmaceutical price inflation and the mix of products used.

Program: Pharmaceutical Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

The Pharmaceutical Assistance Fund appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
LOTTERY FUND:							
Pharmaceutical Assistance Fund	\$ 237,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 281,000	\$ 321,000	\$ 344,000





DEPARTMENT OF AGRICULTURE

The Department of Agriculture carries out activities to ensure wholesome agricultural products for consumers; expand existing and develop new domestic and foreign markets for Pennsylvania's agricultural products; develop and encourage proper farming and conservation practices; prevent, control and eradicate diseases among livestock, poultry and plants; regulate the conduct of horse racing; and improve the quality of life in rural Pennsylvania.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 51
This Program Revision provides information technology for the management, collection, and dissemination of geospatial data. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.		
	Department Total.....	\$ 51



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1997-98 1998-99 1999-00
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations.....	\$	23,323	\$	24,939 ^a	\$	26,120
(F)Plant Pest Detection System.....		20		24		23
(F)Poultry Grading Service.....		116		76		76
(F)Medicated Feed Mill Inspection.....		15		16		16
(F)Donated Foods.....		200		200		250
(F)Household Commodity Program.....		1,998		2,000		2,000
(F)Pesticide Control.....		617		607		611
(F)Biomass Energy.....		0		0		30
(A)Fertilizer and Soil Inspections.....		190		183		195
(A)Lime Inspection.....		33		28		30
(A)Soil Conditioner.....		24		22		0
(A)Feed Inspections and Registrations.....		415		400		425
(A)Milk Plant Inspections.....		27		27		25
(A)Mailing List Production.....		9		16		9
(A)Special Conferences and Projects.....		10		10		10
(A)Administrative Services.....		537		552		520
(A)Pesticide Regulation.....		868		1,200		1,490
(A)Training Rides and Attractions.....		12		8		8
(A)Chesapeake Bay Project.....		205		161		118
(A)Dog Law Administration Support.....		89		44		59
(A)Food Site Inspection.....		68		28		28
(A)Farm Account Reimbursement.....		6		5		5
(A)Nutrient Management Certification Fees.....		61		0		6
(A)Apiary Registration and Fees.....		0		0		5
Subtotal.....	\$	28,843	\$	30,546	\$	32,059
Farmers' Market Food Coupons.....		702		1,000		1,000
(F)Farmers' Market Food Coupons.....		741		1,135		1,200
Agricultural Conservation Easement Administration.....		336		429 ^b		434
(A)Reimbursement from PennDOT.....		47		52		55
(F)Farmland Protection.....		0		1,500		1,500
(F)Farmland Protect.....		952		0		0
Agricultural Research.....		2,499		3,150		3,150
Agricultural Promotion, Education, and Exports.....		600		1,050		1,054
Hardwoods Research and Promotion.....		479		617		630
(A)Reimbursement from DCNR.....		13		0		0
Farm Safety.....		115		115		115
Nutrient Management.....		236		350		350
Avian Influenza Eradication (6-98).....		3,250		0		0
Subtotal - State Funds.....	\$	31,540	\$	31,650	\$	32,853
Subtotal - Federal Funds.....		4,659		5,558		5,706
Subtotal - Augmentations.....		2,614		2,736		2,988
Total - General Government.....	\$	38,813	\$	39,944	\$	41,547

Grants and Subsidies:

Animal Health Commission.....	\$	3,000	\$	3,000	\$	3,000
Veterinary Distance Learning.....		0		52		0
Animal Indemnities.....		50		300		300
Transfer to State Farm Products Show Fund.....		800		800		800
Payments to Pennsylvania Fairs.....		4,000		4,000		4,100
Livestock Show.....		152		167		177
Open Dairy Show.....		100		110		120
Junior Dairy Show.....		36		40		43
4-H Club Shows.....		41		45		48
State Food Purchase.....		13,650		13,775		14,464
Product Promotion and Marketing.....		350		500		726
(F)Market Improvement.....		0		150		150

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Future Farmers.....	50	55	58
Transfer to Nutrient Management Fund.....	750	3,280	3,280
Emergency Food Assistance Development.....	0	4,000	0
Subtotal - State Funds.....	\$ 22,979	\$ 30,124	\$ 27,116
Subtotal - Federal Funds.....	0	150	150
Total - Grants and Subsidies.....	\$ 22,979	\$ 30,274	\$ 27,266
STATE FUNDS.....	\$ 54,519	\$ 61,774	\$ 59,969
FEDERAL FUNDS.....	4,659	5,708	5,856
AUGMENTATIONS.....	2,614	2,736	2,988
GENERAL FUND TOTAL.....	\$ 61,792	\$ 70,218	\$ 68,813
FARM PRODUCTS SHOW FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 4,127	\$ 4,276	\$ 4,467
(A)Transfer From General Fund.....	0 ^c	0 ^c	0 ^c
Subtotal - State Funds.....	\$ 4,127	\$ 4,276	\$ 4,467
Total - General Government.....	\$ 4,127	\$ 4,276	\$ 4,467
STATE FUNDS.....	\$ 4,127	\$ 4,276	\$ 4,467
FARM PRODUCTS SHOW FUND TOTAL.....	\$ 4,127	\$ 4,276	\$ 4,467
RACING FUND:			
<i>General Government:</i>			
State Racing Commissions (EA).....	\$ 6,054	\$ 6,617	\$ 7,042
Equine Toxicology and Research Laboratory (EA).....	1,539	1,727	1,788
Payments to Pennsylvania Fairs - Administration (EA).....	157	172	177
Total - General Government.....	\$ 7,750	\$ 8,516	\$ 9,007
<i>Grants and Subsidies:</i>			
Transfer To General Fund (EA).....	\$ 11,475	\$ 11,981	\$ 11,441
RACING FUND TOTAL.....	\$ 19,225	\$ 20,497	\$ 20,448
OTHER FUNDS:			
AGRICULTURAL CONSERVATION EASEMENT PURCHASE FUND:			
Purchase of County Easements (EA).....	\$ 37,889	\$ 44,592	\$ 20,978
GENERAL FUND:			
Agriculture Farm Operations.....	\$ 16	\$ 32	\$ 30
Recovery on Lost Commodities.....	26	7	7
Dog Law Administration.....	4,112	4,426	5,193
Farm Loan Program.....	75	252	252
Pesticide Regulation.....	1,489	2,405	2,812
Public Weightmasters.....	15	20	20
Fertilizer Research.....	37	0	0
Plant Pest Management.....	212	412	451
National School Lunch.....	12	0	0
GENERAL FUND TOTAL.....	\$ 5,994	\$ 7,554	\$ 8,765



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
NUTRIENT MANAGEMENT FUND:			
Planning, Loans, Grants, and Technical Assistance (EA).....	\$ 608	\$ 3,280	\$ 3,280
RACING FUND:			
Sire Stakes Fund.....	\$ 3,515	\$ 4,018	\$ 4,003
Breeders' Fund.....	5,771	5,019	5,119
RACING FUND TOTAL.....	\$ 9,286	\$ 9,037	\$ 9,122
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 54,519	\$ 61,774	\$ 59,969
SPECIAL FUNDS.....	23,352	24,773	24,915
FEDERAL FUNDS.....	4,659	5,708	5,856
AUGMENTATIONS.....	2,614	2,736	2,988
OTHER FUNDS.....	53,777	64,463	42,145
TOTAL ALL FUNDS.....	\$ 138,921	\$ 159,454	\$ 135,873

^a Includes \$32,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation

^c Not added to the total to avoid double counting: 1997-98 Actual is \$800,000, 1998-99 Available is \$800,000, and 1999-00 Budget is \$800,000.

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
PROTECTION AND DEVELOPMENT OF AGRICULTURAL INDUSTRIES							
GENERAL FUND.....	\$ 40,167	\$ 42,999	\$ 44,505	\$ 44,954	\$ 45,530	\$ 46,122	\$ 46,725
SPECIAL FUNDS.....	4,284	4,448	4,644	4,648	4,652	4,656	4,660
FEDERAL FUNDS.....	1,920	2,573	2,626	2,626	2,626	2,626	2,626
OTHER FUNDS.....	46,881	58,085	35,908	35,736	35,668	35,705	35,747
SUBCATEGORY TOTAL.....	\$ 93,252	\$ 108,105	\$ 87,683	\$ 87,964	\$ 88,476	\$ 89,109	\$ 89,758
HORSE RACING REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	19,068	20,325	20,271	19,747	19,747	19,766	19,745
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	9,286	9,037	9,122	9,122	9,122	9,122	9,122
SUBCATEGORY TOTAL.....	\$ 28,354	\$ 29,362	\$ 29,393	\$ 28,869	\$ 28,869	\$ 28,888	\$ 28,867
EMERGENCY FOOD ASSISTANCE							
GENERAL FUND.....	\$ 14,352	\$ 18,775	\$ 15,464	\$ 15,464	\$ 15,464	\$ 15,464	\$ 15,464
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,739	3,135	3,230	3,230	3,230	3,230	3,230
OTHER FUNDS.....	224	77	103	105	107	109	111
SUBCATEGORY TOTAL.....	\$ 17,315	\$ 21,987	\$ 18,797	\$ 18,799	\$ 18,801	\$ 18,803	\$ 18,805
ALL PROGRAMS:							
GENERAL FUND.....	\$ 54,519	\$ 61,774	\$ 59,969	\$ 60,418	\$ 60,994	\$ 61,586	\$ 62,189
SPECIAL FUNDS.....	23,352	24,773	24,915	24,395	24,399	24,422	24,405
FEDERAL FUNDS.....	4,659	5,708	5,856	5,856	5,856	5,856	5,856
OTHER FUNDS.....	56,391	67,199	45,133	44,963	44,897	44,936	44,980
DEPARTMENT TOTAL.....	\$ 138,921	\$ 159,454	\$ 135,873	\$ 135,632	\$ 136,146	\$ 136,800	\$ 137,430



PROGRAM OBJECTIVE: To strengthen the agricultural economy and related enterprises

Program: Protection and Development of Agricultural Industries

The Department of Agriculture administers several related elements within this program.

Program Element: Agribusiness Development

This program element includes: a domestic trade section, an international trade section, a market opportunities section, an agricultural land preservation section, and research.

The domestic trade section primarily focuses on direct consumer market development and creating trade and consumer demands for Pennsylvania agriculture and food products, usually through promotional objectives. Equally important, promotional activities operated under this program element are designed to increase and enhance the awareness of non-farm Pennsylvanians about the importance of agribusiness in the Commonwealth.

The international trade section helps Pennsylvania companies market their products in foreign markets by providing promotional opportunities in foreign market places. The international trade section differs from the domestic trade section in that technical outreach to Pennsylvania food and agriculture businesses is necessary if they are to adequately understand and prepare for market opportunities in foreign economies.

The market opportunities section examines domestic and foreign market places to identify market needs and communicate these needs to the Pennsylvania food and agriculture industry. Pennsylvania businesses then are better able to expand as they develop products and services that meet the needs of the Pennsylvania farmer, producer and processor. The market opportunities section also provides funds for the operation of the Farm Show Complex in Harrisburg.

Additionally the department's objective is to strengthen all markets through programs designed to promote agriculture and food products and commodities such as apples, honey, cherries, grapes, maple syrup, hardwoods, beef, milk and dairy products. In some instances, the promotion of these products is coordinated with councils representing product interest. Some councils assess members fees based on their production.

Other promotional activities for Pennsylvania products include appearances by the Pennsylvania Dairy Princess, county dairy princesses and other Statewide commodity representatives at shopping centers and other public functions, developing and displaying exhibits that depict agriculture's role in the economy of Pennsylvania, and working with Statewide commodity organizations.

A grant program, Payments to Pennsylvania Fairs, provides funds for agricultural fair operating

reimbursements and grants to Statewide agricultural organizations, Future Farmers of America and 4H groups in accordance with the guidelines of Act 92 of 1986. After these requirements have been fulfilled, the remaining appropriation balance is used for capital improvements at fairgrounds.

The agricultural land preservation section, through a special fund created by Act 64 of 1988 that implemented a referendum approved by the electorate in November of 1988, purchases easements on prime agricultural land to ensure its continued use for agricultural purposes. Easements are funded from bonds and a dedicated portion of the cigarette tax.

The final contribution to agribusiness is agricultural research grants which provide for scientific research into plant and animal health. This research serves to enhance the industry by identifying prevention mechanisms for disease and proactive mechanisms for enhancement of the quality and quantity of agricultural products.

Program Element: Animal Health

The objective of this element is to maintain the health of domestic animals in order to protect human health, to protect the quantity, quality and safety of food of animal origin, and to provide for the general welfare of domestic animals. Emphasis is placed on disease prevention by surveillance and diagnostic activity to detect disease, control of animal movements to prevent the spread of disease, health certification programs to identify disease-free animals, and research to develop improved husbandry and health maintenance methods. Of major concern are interstate and international movements of animals and animal products that may introduce any one of numerous dangerous transmissible diseases existing outside the Commonwealth. Compliance with animal health rules is achieved by regular inspection of animal marketing and processing activities by veterinarians and livestock disease control technicians.

Animal research initiatives and coordination of animal disease diagnostic laboratories are provided by the Pennsylvania Animal Health and Diagnostic Commission. This commission, an administrative commission within the Department of Agriculture, coordinates the animal diagnostic laboratory resources of The Pennsylvania State University and the University of Pennsylvania School of Veterinary Medicine with those of the department. This program reduces the cost of animal disease and the threat of animal disease to human health in the Commonwealth by making state-of-the-art animal disease diagnosis affordable and readily available to animal owners.



Program: Protection and Development of Agricultural Industries (continued)

Also included in this program is dog law enforcement. Act 151 of 1996 amended the Dog Regulation Act of 1982. The act changed the dog license and kennel fee structure as well as training, administrative, and reporting requirements to strengthen program enforcement. Primary functions include control and regulation of the sale and transportation of dogs, kennel inspections, reimbursement of law enforcement agencies for the detention and disposition of stray dogs, and reimbursement to owners of livestock and poultry for damage caused by dogs and coyotes. Approximately 900,000 dogs and 2,000 kennels are licensed currently under this program.

Dog law expenditures are reflected in this program as Other Funds.

Program Element: Consumable Agricultural Products

The Department of Agriculture is committed through regulatory efforts to protect the health and safety of the consumer and assure the availability of quality agriculture products to consumers.

Among the most significant of the department's protection activities is its efforts in food safety. An educational approach has been developed under which department personnel conduct training courses for food handlers including school cafeteria, day care center, fair concession and nonprofit organization personnel. Approximately 40,000 of the more than 45,000 food establishments were inspected in 1997-98. Food establishments which are inspected include all food stores, processing plants, warehouses, transportation facilities, bakeries, dairies, bottling plants, egg packing facilities, fruit and vegetable packing plants, certain registered concession stands and restaurants which sell frozen desserts and baked goods. Since 1995, the Department of Agriculture has assumed responsibility for inspecting all 18,000 licensed eating and drinking establishments. Additional activities guarantee the quality of animal feeds, fertilizers, liming materials, plant materials and pesticides. Act 53 of 1996 transferred the responsibility for enforcement of the Seasonal Farm Labor Act from the Department of Environmental Protection to the Department of Agriculture.

Also included in this element are activities which regulate and maintain uniform standards of legal weights and measures of Commonwealth products. The Weights and Measures Division of the Bureau of Ride and Measurement Standards performed 45,306 inspections in 1997-98 and expects to perform 38,000 in 1998-99. The Amusement Ride Division completed 625 inspections in 1997-98 and expects to perform 615 in 1998-99.

To protect the consumer and ensure the availability of quality agriculture products, the department regulates the sale of feed, fertilizer, lime and seeds by requiring certain label information and by sampling and analyzing products in its Harrisburg laboratories. During 1997-98, 1,250 agribusinesses were inspected and 3,485 feed, fertilizer and lime samples were analyzed. In addition, 4,648 samples of seed were tested.

The department inspects all ornamental nurseries and greenhouses periodically to determine the presence of new plant pests. The field staff is supported by laboratories staffed by scientists to insure correct diagnosis of the pest and to quarantine and/or prescribe proper treatment. During 1997-98, more than 1,700 dealer and 3,646 nursery and greenhouse inspections were conducted, involving more than 34,125 acres and over 20,100,000 square feet under glass of plant material; and 455 inspections were conducted for the issuance of 2,664 certificates for the exportation of plant material. The department also inspected 1,521 apiaries involving 8,923 colonies of bees in 1997 for disease problems.

The Pesticide Control Law provides for the regulation of the use, handling, storage and transportation of pesticides. The department fulfills its statutory responsibilities by requiring registration of all pesticide products, testing and licensing of all persons who use pesticides to insure minimum competency levels, and periodically inspecting those who use, store or transport pesticides. Complaints about misuse are also investigated by the department. During 1997-98, 800 pesticide dealers and 5,800 pesticide application businesses were licensed, 36,000 pesticide applicators certified, 2,200 service technicians registered, more than 12,000 pesticide products registered, 942 inspections and investigations conducted, and 91 samples analyzed. This program attempts to provide for the optimum use of pesticides while minimizing their adverse effects on human life and the environment.

Pesticide expenditures are reflected in this program as Other Funds.

The State Conservation Commission, whose chairmanship alternates each year between the Secretary of Agriculture and the Secretary of the Department of Environmental Protection, is the primary implementing authority for the Nutrient Management Act. The law is designed to minimize surface and ground water pollution from agricultural operations. The Departments of Agriculture and Environmental Protection in cooperation with the commission work with farmers to develop and implement nutrient management plans to reduce pollution.



Program: Protection and Development of Agricultural Industries (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Agribusiness Development:							
Dollar volume of food and agricultural exports (millions)	\$926	\$987	\$1,000	\$1,030	\$1,135	\$1,220	\$1,220
Trade leads generated	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Additional farm acreage preserved under perpetual easements	21,533	17,000	14,000	13,000	13,000	13,000	13,000
Animal Health:							
Animals examined to determine disease (thousands)	4,722	4,000	527	530	532	532	532
Animals quarantined (thousands)	1,650	1,147	40	40	40	40	40
Animals destroyed (thousands)	730	500	1	1	1	1	1
Consumable Agricultural Products:							
Consumer commodities inspected (thousands)	\$60,500	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000

Farm acreage preserved under perpetual easements was greater than projected in last year's budget due to improvements in the land acquisition process.

Animals examined to determine disease, animals quarantined and animals destroyed were much greater than projected in last year's budget due to an increase in disease, particularly an avian influenza outbreak.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND			
	General Government Operations	\$	10	Livestock Show
\$ -444	—nonrecurring fixed assets.			—to continue current program.
1,399	—to continue current program.			Open Dairy Show
175	—Initiative — Animal Disease Prevention. To develop a detection and control protocol to prevent the spread of Johne's Disease in livestock, and plans for controlling animal health emergencies arising from foreign livestock diseases.	\$	10	—to continue current program.
		\$	3	Junior Dairy Show
				—to continue current program.
51	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology for the management, collection and dissemination of geospatial data. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.	\$	3	4-H Club Shows
				—to continue current program.
		\$	226	Product Promotion and Marketing
				—to continue current program.
		\$	3	Future Farmers
				—to continue current program.
\$ 1,181	<i>Appropriation Increase</i>			
	Agricultural Conservation Easement Administration			
\$ 5	—to continue current program.			
	Agricultural Promotion, Education, and Exports	\$	-168	
\$ 4	—to continue current program.		50	FARM PRODUCTS SHOW FUND
			309	General Operations (EA)
				—nonrecurring fixed assets.
				—nonrecurring projects.
				—to continue current program.
\$ 13	Hardwoods Research and Promotion	\$	191	<i>Appropriation Increase</i>
	—to continue current program.			
	Veterinary Distance Learning			RACING FUND
\$ -52	—nonrecurring projects.			Payments to Pennsylvania Fairs — Administration (EA)
		\$	5	—to continue current program.
\$ 100	Payments to Pennsylvania Fairs			
	—to continue current program.			

All other General Fund Appropriations are recommended to be continued at the current year funding level.

Program: Protection and Development of Agricultural Industries (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)



Includes accomplishment of the PRIME recommendation Next Generation Farmer Loan Program. The department implemented a program to assist first time farmers to purchase land, farm equipment and buildings, and livestock. The innovative program utilizes various financial programs to reduce interest rates for various purchases. The program helps to ensure that Pennsylvania's rich agricultural traditions can be handed to the next generation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 23,323	\$ 24,939	\$ 26,120	\$ 26,519	\$ 27,044	\$ 27,585	\$ 28,137
Agricultural Conservation Easement							
Administration	336	429	434	443	452	461	470
Agricultural Research	2,499	3,150	3,150	3,150	3,150	3,150	3,150
Agricultural Promotion, Education, and							
Exports	600	1,050	1,054	1,075	1,097	1,119	1,141
Hardwoods Research and Promotion	479	617	630	643	656	669	682
Farm Safety	115	115	115	115	115	115	115
Nutrient Management	236	350	350	357	364	371	378
Avian Influenza Eradication (6-98)	3,250	0	0	0	0	0	0
Animal Health Commission	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Veterinary Distance Learning	0	52	0	0	0	0	0
Animal Indemnities	50	300	300	300	300	300	300
Transfer to State Farm Products Show							
Fund	800	800	800	800	800	800	800
Payments to Pennsylvania Fairs	4,000	4,000	4,100	4,100	4,100	4,100	4,100
Livestock Show	152	167	177	177	177	177	177
Open Dairy Show	100	110	120	120	120	120	120
Junior Dairy Show	36	40	43	43	43	43	43
4-H Club Shows	41	45	48	48	48	48	48
Product Promotion and Marketing	350	500	726	726	726	726	726
Future Farmers	50	55	58	58	58	58	58
Transfer to Nutrient Management Fund	750	3,280	3,280	3,280	3,280	3,280	3,280
TOTAL GENERAL FUND	\$ 40,167	\$ 42,999	\$ 44,505	\$ 44,954	\$ 45,530	\$ 46,122	\$ 46,725
FARM PRODUCTS SHOW FUND:							
General Operations (EA)	\$ 4,127	\$ 4,276	\$ 4,467	\$ 4,467	\$ 4,467	\$ 4,467	\$ 4,467
RACING FUND:							
Payments to Pennsylvania Fairs —							
Administration (EA)	\$ 157	\$ 172	\$ 177	\$ 181	\$ 185	\$ 189	\$ 193



PROGRAM OBJECTIVE: To prevent consumer fraud in the racing industry.

Program: Horse Racing Regulation

Activities in this program area include the development and implementation of rules, regulations and procedures to insure the public and harness and horse owners of honest and safe competitive parimutuel harness and horse racing.

Horse racing in Pennsylvania is governed by Act 93 of 1983. This act merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund, adjusted the tax schedule and revised the distribution of funds in order to assist the racing industry by increasing the funds retained by the tracks.

The Racing Fund pays all expenses of the State Racing Commissions. After these obligations have been met, a portion of the money remaining in the fund is credited to the Breeders' Fund and Sire Stakes Fund. The amount credited to each fund is a percentage of the amount wagered as specified by law. All remaining monies in the Racing Fund are then transferred to the General Fund in the subsequent fiscal year.

The Equine Toxicology and Research Laboratory tests for the presence of foreign substances in the blood and urine of race horses following all races to ensure that no foreign substances have been administered prior to a race.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Investigations to insure compliance with established rules and regulations:							
Harness	951	919	920	920	920	920	920
Horse	3,625	3,600	3,600	3,600	3,600	3,600	3,600
Participant licenses issued:							
Harness	3,481	3,334	3,400	3,400	3,400	3,400	3,400
Horse	6,200	6,400	6,400	6,400	6,400	6,400	6,400
Licenses suspended for noncompliance of rules and regulations:							
Harness	407	385	385	385	385	385	385
Horse	390	400	400	400	400	400	400
Racing days approved:							
Harness	367	365	365	365	365	365	365
Horse	406	420	420	420	420	420	420

The number of harness licenses issued was less than projected in last year's budget due to an unexpected decline in participation.

Program Recommendations:		This budget recommends the following changes: (Dollar Amounts in Thousands)	
<p>RACING FUND State Racing Commissions (EA) \$ 425 —to continue current program.</p> <p>Equine Toxicology and Research Laboratory (EA) \$ -57 —nonrecurring costs. 20 —drug detection laboratory equipment. 98 —to continue current program.</p> <p>\$ 61 Appropriation Increase</p>	<p>Transfer to the General Fund (EA) \$ -540 —funds available to transfer. Law requires June 30th ending surplus to be transferred to the General Fund.</p>		



Program: Horse Racing Regulation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
RACING FUND:							
State Racing Commissions (EA)	\$ 6,054	\$ 6,617	\$ 7,042	\$ 7,183	\$ 7,327	\$ 7,474	\$ 7,623
Equine Toxicology and Research Laboratory (EA)	1,539	1,727	1,788	1,824	1,860	1,897	1,935
Transfer To General Fund (EA)	11,475	11,981	11,441	10,740	10,560	10,395	10,187
TOTAL STATE RACING FUND	\$ 19,068	\$ 20,325	\$ 20,271	\$ 19,747	\$ 19,747	\$ 19,766	\$ 19,745



PROGRAM OBJECTIVE: To distribute surplus and donated food through institutions and counties or designated lead agencies to individuals and families who are dependent or disadvantaged to support minimum standards of living and economic independence.

Program: Emergency Food Assistance

The State funded State Food Purchase Program provides grants to counties or a designated lead agency to purchase food to be provided to the needy. Grants are allocated based on unemployment, food stamp recipients not on public assistance, legal immigrants, medical assistance recipients and households with earned income receiving assistance. Administrative costs of this program are funded from the grants with an eight percent limit on administrative allocations.

This program distributes Federal surplus food through the traditional program involving schools, prisons, hospitals and summer camps. The Federal Emergency Food

Assistance Program (TEFAP) involves distribution of U.S. Department of Agriculture surplus food to the needy in Pennsylvania who meet certain eligibility criteria.

The traditional program distributes commodities among the states based on the prior year participation and allocates commodities within the State based on the same criteria. The TEFAP commodities are allocated among the states according to unemployment and poverty levels and are allocated within the State based on the same criteria. Administrative and warehousing costs for both programs are borne by the Federal Government.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Dollar value of commodities distributed (thousands)	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000
Persons receiving donated or surplus foods (thousands):							
Traditional program	985	1,000	1,000	1,000	1,000	1,000	1,000
TEFAP	2,750	2,700	2,700	2,700	2,700	2,700	2,700
State Food Purchase Program	2,680	2,700	2,700	2,700	2,700	2,700	2,700

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)	
State Food Purchase	\$ 689	—to continue current program.
Emergency Food Assistance Development	\$ -4,000	—nonrecurring costs

Farmers' Market Food Coupons is recommended at the current year funding level.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Farmers' Market Food Coupons	\$ 702	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
State Food Purchase	13,650	13,775	14,464	14,464	14,464	14,464	14,464
Emergency Food Assistance Development	0	4,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 14,352	\$ 18,775	\$ 15,464	\$ 15,464	\$ 15,464	\$ 15,464	\$ 15,464



DEPARTMENT OF BANKING

The Department of Banking protects the public through the supervision, regulation and examination of records, accounts and policies of State-chartered financial institutions.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
BANKING DEPARTMENT FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 8,773	\$ 9,440	\$ 9,929
BANKING DEPARTMENT FUND TOTAL.....	\$ 8,773	\$ 9,440	\$ 9,929

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
REGULATION OF FINANCIAL INSTITUTIONS							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	8,773	9,440	9,929	10,066	10,267	10,472	10,681
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 8,773	\$ 9,440	\$ 9,929	\$ 10,066	\$ 10,267	\$ 10,472	\$ 10,681
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	8,773	9,440	9,929	10,066	10,267	10,472	10,681
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 8,773	\$ 9,440	\$ 9,929	\$ 10,066	\$ 10,267	\$ 10,472	\$ 10,681



PROGRAM OBJECTIVE: *To insure the maintenance of an economically sound and competitive system of State-chartered financial institutions.*

Program: Financial Institution Regulation

This program involves supervision, regulation and examination of the records, accounts and policies of State-chartered banking institutions, savings associations, credit unions and state-licensed sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers, first mortgage bankers and brokers, second mortgage lenders, brokers and brokers' agents, and check cashers. Other activities included in this program area are examinations of business development credit corporations, responding to consumer inquiries and conducting special investigations where necessary. In 1997-98, the department received 5,376 consumer inquiries on its toll-free telephone line.

As of June 30, 1998, there were 174 depository institutions under the department's supervision: 45 commercial banks, 53 bank and trust companies, 47 savings banks, one private bank, 24 trust companies, and four foreign banks which maintained branches or representative offices in Pennsylvania. There were 49 savings associations and 95 credit unions chartered and supervised by the Department of Banking. Also operating in the Commonwealth were 151 one-bank holding companies and 27 multibank holding companies. The department also issues licenses annually to 10,233 non-depository institutions including installment sellers; first mortgage bankers and brokers; second mortgage lenders, brokers and brokers' agents; sales finance companies; consumer discount company offices; pawnbrokers; money transmitters, check cashers and collector-repossessors.

Since June 1995 there has been a 43 percent increase in the number of non-depository institution licensees. Future anticipated growth is based upon the continuing stability of interest rates and growth of the economy.

Recent legislative enactments have impacted the Department of Banking's program responsibilities. The Credit Services Act (Act 150 of 1992) requires unlicensed consumer loan brokers to register with the department. Act 79 of 1996 amended the Money Transmission Business Licensing Law and authorizes the department to license accelerated mortgage payment providers. Act 22 of 1998 requires the licensing and regulation of all check cashers doing business in Pennsylvania.

Act 39 of 1995 amended the Banking Code of 1965 to remove the last geographic restrictions on the operations of commercial banks through the authorization of full interstate banking, merging and reciprocal de nova interstate branching. Under the legislation, there is a reduction in departmental duties and responsibilities with regard to acquisition of banks in other states by Pennsylvania bank holding companies. However, responsibility with regard to interstate branching and merging transactions is increased as is regulatory and supervisory responsibilities regarding interstate banks. The Act 39 amendments bring Pennsylvania's banking laws into compliance with the Federal Riegle-Neal Interstate Banking and Branching Act of 1994, which encourages nationwide interstate banking.

Program Measures:

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Supervision of State-chartered:							
Banks	174	182	179	177	175	173	170
Savings and loan associations	49	44	32	27	22	22	22
Credit unions	95	91	90	90	90	90	90

Savings and loan associations charters are projected to decrease due to the requirement that companies must either secure Federal deposit insurance or begin to liquidate in accordance with Act 132 of 1998.

Credit union charters, sales finance companies, consumer discount companies, pawnbrokers, money transmitters, collectors-repossessors and installment sellers licenses increases did not occur as projected in last year's budget. These measures are expected to remain fairly stable.

Program: Financial Institution Regulation (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Consumer credit agencies:							
First mortgage bankers/brokers	2,104	2,167	2,167	2,167	2,167	2,167	2,167
Second mortgage lenders/brokers/ broker's agents	2,608	2,686	2,686	2,686	2,686	2,686	2,686
Sales finance companies	1,039	1,070	1,070	1,070	1,070	1,070	1,070
Consumer discount companies	571	588	588	588	588	588	588
Pawnbrokers	80	80	80	80	80	80	80
Money transmitters	25	25	25	25	25	25	25
Collectors-repossessors	134	138	138	138	138	138	138
Installment sellers licensed	3,665	3,775	3,775	3,775	3,775	3,775	3,775
Check casher licenses	7	300	500	525	550	575	600

First mortgage bankers/brokers and second mortgage lenders/brokers/broker's agents increase compared to the projection in last year's budget due to lower interest rates as well as a stable economy.

Check casher licenses is a new program measure and is the result of Act 22 of 1998.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations	
\$ 775	—to continue current program.
-286	—nonrecurring operating expenses.
\$ 489	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
BANKING DEPARTMENT FUND:							
General Government Operations	\$ 8,773	\$ 9,440	\$ 9,929	\$ 10,066	\$ 10,267	\$ 10,472	\$ 10,681



CIVIL SERVICE COMMISSION

The Civil Service Commission administers the Commonwealth's merit system. The responsibilities of the commission include recruitment of qualified candidates; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligibles to the appointing agencies.



PROGRAM REVISION**Budgeted Amounts Include the Following Program Revision:****Title****Enhancing Information Technology to Better Serve Pennsylvania**

This Program Revision provides \$464,000 in augmentations to establish computer-based testing for applicants in order to improve the personnel evaluation and hiring process. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.

Civil Service Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ (10) ^a	\$ 1	\$ 1
(A) Fees From Agencies.....	11,776	11,755	12,488
(A) Special Merit System Services.....	644	813	859
Subtotal - State Funds.....	\$ (10)	\$ 1	\$ 1
Subtotal - Augmentations.....	12,420	12,568	13,347
Total - General Government.....	\$ 12,410	\$ 12,569	\$ 13,348
STATE FUNDS.....	\$ (10)	\$ 1	\$ 1
AUGMENTATIONS.....	12,420	12,568	13,347
GENERAL FUND TOTAL.....	\$ 12,410	\$ 12,569	\$ 13,348

^a Amount lapsed in excess of appropriation.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
PERSONNEL SELECTION							
GENERAL FUND.....	\$ (10)	\$ 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.....	12,420	12,568	13,347	13,141	13,404	13,672	13,946
SUBCATEGORY TOTAL.....	\$ 12,410	\$ 12,569	\$ 13,348	\$ 13,142	\$ 13,405	\$ 13,673	\$ 13,947
ALL PROGRAMS:							
GENERAL FUND.....	\$ (10)	\$ 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.....	12,420	12,568	13,347	13,141	13,404	13,672	13,946
DEPARTMENT TOTAL.....	\$ 12,410	\$ 12,569	\$ 13,348	\$ 13,142	\$ 13,405	\$ 13,673	\$ 13,947



Civil Service Commission

PROGRAM OBJECTIVE: To provide a sufficient number of qualified, available persons to meet agency merit system staffing needs.

Program: Personnel Selection

Through this program, the Civil Service Commission provides qualified persons to meet merit system staffing needs.

The commission works toward bringing the Commonwealth merit system into 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 identification and elimination of adverse impact, development of more valid examinations, identification and elimination of discrimination in the Commonwealth's personnel system, increased efficiency in meeting personnel needs of other State agencies, and prompt and accurate resolution or adjudication of complaints, grievances and appeals.

The funds supporting this program are received from billing various General and Special Fund agencies.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Total eligibles on list	191,014	200,000	200,000	200,000	200,000	200,000	200,000
Persons scheduled for exams	130,410	130,000	130,000	130,000	130,000	130,000	130,000
Appeal requests received and processed	576	600	600	600	600	600	600
Certifications audited by staff	4,188	3,200	2,400	1,800	1,300	1,000	600
People with disabilities provided employment information	2,157	2,000	2,000	2,000	2,000	2,000	2,000

Persons scheduled for exams increased compared to projections in last year's budget partially due to increased awareness of Civil Service examination summaries available through the internet.

Appeal requests received and processed were lower than expected in last year's budget since there were fewer furloughs and resultant appeals than anticipated.

Certifications audited by staff decreased compared to projections in last year's budget due to an increase in computerized auditing of certifications.

Program Recommendations: This budget recommends the following changes in augmentations received from agency billings: (Dollar Amounts in Thousands)

\$	315	General Government Operations
		—to continue current program.
\$	464	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology for automated test administration. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
\$	779	Augmentation Increase

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ -10	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1



DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The Department of Community and Economic Development administers programs which recognize that community development and economic development are linked. This includes expanding and providing for more efficient delivery of local services; coordinating community and economic development resources to restore and maintain the vitality of our communities; advancing the economic well-being of communities through the maximization of community and economic development resources; and promoting housing and community revitalization in conjunction with economic development activities.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds <small>(in thousands)</small>
Positioning to Compete in the 21st Century Digital Economy		
	General Government Operations.....	\$ 2,348
	International Trade.....	1,455
	Interactive Marketing.....	4,000
	Marketing to Attract Tourists.....	500
	Marketing to Attract Business.....	-1,000
	Regional Marketing Partnerships.....	4,000
	Transfer to Ben Franklin/IRC.....	-2,000
	Transfer to Pennsylvania Industrial Development Authority.....	-20,000
	Transfer to Small Business First Fund.....	8,000
	Transfer to Machinery and Equipment Loan Fund.....	-1,500
	CyberStart.....	1,600
	Local Development District.....	350
	Tourist Promotion Assistance.....	500
	Super Computer Center.....	-2,000
	Infrastructure Technical Assistance.....	-3,000
	PEDFA-Pennsylvania Technology Investment Authority.....	<u>18,200</u>
	Subtotal.....	\$ 11,453

This Program Revision provides continued tax reduction, innovative new technology financing options, technology scholarships to attract and retain knowledge workers, expands the Commonwealth's marketing strategy and expands support for traditional economic development financing programs. A total of \$28.7 million in State and Augmentation funds is provided by this Program Revision across two departments.

Vision for a 21st Century Environment

	General Government Operations.....	\$ 67
	Shared Municipal Services.....	-900
	Planning Assistance.....	-375
	World Class Communities.....	<u>2,000</u>
	Subtotal.....	\$ 792

This Program Revision provides funding and makes recommendations for improved land use planning. This is part of the \$93.9 million Vision for the 21st Century Program Revision. Please see the Program Revision following the Environmental Protection and Management Program in the Department of Environmental Protection for additional information on this Program Revision.



Community and Economic Development

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds (in thousands)
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Expanding Home and Community-Based Opportunities for Persons with Disabilities

This Program Revision provides \$2 million in Long-Term Care Intergovernmental Transfer funds and \$500,000 in existing Federal funds to provide persons with disabilities financial assistance for home modifications and information regarding home modifications and home ownership. The Department of Community and Economic Development will provide \$500,000 of the \$2 million in Long-Term Care Intergovernmental Transfer funds to the Pennsylvania Housing and Finance Agency to provide persons with disabilities financial assistance for home modifications and home ownership. This is part of the \$35.3 million Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision. Please see the Program Revision following the Human Services Program in the Department of Public Welfare for additional information on this Program Revision.

Department Total.....	<u>\$ 12,245</u>
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Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 14,074 ^a	\$ 14,427 ^{bc}	\$ 17,164
(F)ARC - Technical Assistance.....	329	450	450
(F)DOE - Weatherization Administration.....	272	380	425
(F)SCDBG - Administration.....	543	825	825
(F)CSBG - Administration.....	697	1,035	1,035
(F)LIHEABG - Administration.....	269	440	450
(F)ARC - Regional Initiative.....	46	900	900
(F)Community Planning Assistance.....	44	32	0
(F)DCSI-Regional Police Peer Program.....	5	15	5
(F)Americorps Training and Technical Assistance.....	0	100	100
(F)Americorps Training and Technical Assistance.....	100	0	0
(A)Manufactured Housing.....	507	554	560
(A)Minority Business Development Authority.....	310	260	0
(A)Copy Center Services.....	55	105	100
(A)Pennsylvania Industrial Development Authority.....	1,361	1,537	1,583
(A)Pennsylvania Economic Development Financing Authority.....	292	295	363
(A)Industrial Sites Cleanup.....	106	108	100
(A)PA Energy Development Authority.....	99	100	100
(A)Machinery and Equipment Loan Fund Reimbursement.....	108	113	125
(A)Environmental Training Partnership.....	893	958	1,500
(A)Reimbursement Environmental Protection.....	36	15	15
(A)Small Business First.....	282	376	655
(A)Local Area Transportation.....	25	35	75
(A)Court Settlement.....	15	0	0
(A)HOME Investment Partnership.....	317	359	370
(A)January Flood Reimbursement.....	2	0	0
(A)Storage Tank Loan Upgrade Administration.....	0	60	60
(R)Small Business Advocate-Utilities.....	867	1,043	998
(R)Zoological Transfer (EA).....	497	376	250
International Trade.....	5,196	5,572 ^d	7,031
Interactive Marketing.....	0	0	4,000
Marketing to Attract Tourists.....	10,950	14,069 ^e	14,589
(A)Reimbursement for Travel Advertisements.....	221	0	0
Marketing to Attract Business.....	3,000	6,150	5,150
Regional Marketing Partnerships.....	0	0	4,000
Marketing to Attract Film Business.....	261	444	455
International Marketing - Health Care.....	0	150	0
Housing Research Center.....	200	250	250
Team Pennsylvania.....	3,500 ^f	8,801 ^g	8,857
(F)Telecommunications & Information Infrastructure.....	0	750	785
PENNPORTR.....	12,233	12,041	11,241
Subtotal - State Funds.....	\$ 49,414	\$ 61,904	\$ 72,737
Subtotal - Federal Funds.....	2,305	4,927	4,975
Subtotal - Augmentations.....	4,629	4,875	5,606
Subtotal - Restricted Revenues.....	1,364	1,419	1,248
Total - General Government.....	\$ 57,712	\$ 73,125	\$ 84,566
<i>Grants and Subsidies:</i>			
Transfer to Ben Franklin/IRC Fund.....	\$ 39,700	\$ 40,400	\$ 36,900
Transfer: Financially Distressed Municipalities Aid Fund.....	1,000	1,000	0
Transfer to PA Industrial Development Authority.....	15,000	20,000	0
Transfer to Small Business First Fund.....	4,000	2,000	10,000
Transfer to Machinery and Equipment Loan Fund.....	0	1,500	0
Opportunity Grant Program.....	35,000	35,000	35,000
Customized Job Training.....	18,050	29,050	29,050
(A)Reimbursement-Job Link.....	1,120	0	0



Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
(F)Job Link - Customized Job Training.....	1,472	1,500	0
(F)Community Economic Assistance.....	400	49,600	45,000
Infrastructure Development.....	20,000	33,280	24,500
CyberStart.....	0	0	1,600
Historical Education/Tourism.....	400	3,200	0
Multi State Trade Consortium.....	54	0	0
Housing & Redevelopment Assistance.....	15,575	16,075	14,000
(F)DOE - Weatherization.....	7,365	7,500	10,000
(F)Emergency Shelter for the Homeless.....	2,879	3,000	3,000
(F)Small Communities Block Grant.....	74,818	75,000	75,000
(F)Centralia Recovery.....	810	2,000	2,000
(F)LIHEABG - Weatherization Program.....	11,348	12,000	12,000
(A)Intergovernmental Transfer.....	0	0	2,000
Community Development Bank.....	15,000	2,000	750
Business Quality Partnership.....	250	0	0
Individual Learning Accounts.....	250	0	0
Family Savings Accounts.....	1,250	1,250	500
Shared Municipal Services.....	600	900	0
Enterprise Development.....	6,996	6,996	4,664
(F)Enterprise Communities - SSBG.....	78,508	78,300	65,000
Appalachian Regional Commission.....	360	360	540
Planning Assistance.....	175	375	0
Industrial Development Assistance.....	1,100	2,000	1,700
Local Development Districts.....	2,555	2,755	3,105
Small Business Development Centers.....	2,700	3,200	3,200
Tourist Promotion Assistance.....	8,500	9,000	9,500
Community Revitalization.....	35,000	45,000	20,000
Main Street Program.....	0	3,100	2,500
Cultural Expositions.....	700	1,480	0
Rural Leadership Training.....	200	200	210
Flood Plain Management.....	60	60	150
(F)FEMA Technical Assistance.....	67	100	100
Community Conservation and Employment.....	10,000	10,000	10,000
(F)Supported Work Program.....	1,672	1,778	1,788
(F)Community Services Block Grant.....	20,725	19,700	23,500
Super Computer Center.....	2,000	2,000	0
Infrastructure Technical Assistance.....	2,500	3,000	0
Homestead Property Exclusion.....	0	6,000	0
World Class Community.....	0	0	2,000
Job Retention Strategies.....	0	3,500	0
PEDFA- PA Technology Investment Authority.....	0	0	18,200
Welcome America.....	0	1,000	0
Regional Crime Labs.....	0	1,000	0
Fay Penn.....	0	500	0
Ali Kiski Revitalization.....	0	150	0
Subtotal - State Funds.....	\$ 238,975	\$ 287,331	\$ 228,069
Subtotal - Federal Funds.....	200,064	250,478	237,388
Subtotal - Augmentations.....	1,120	0	2,000
Total - Grants and Subsidies.....	\$ 440,159	\$ 537,809	\$ 467,457
STATE FUNDS.....	\$ 288,389	\$ 349,235	\$ 300,806
FEDERAL FUNDS.....	202,369	255,405	242,363
AUGMENTATIONS.....	5,749	4,875	7,606
RESTRICTED REVENUES.....	1,364	1,419	1,248
GENERAL FUND TOTAL.....	\$ 497,871	\$ 610,934	\$ 552,023



Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Industrial Sites Environmental Assessment Fund.....	\$ 1,022	\$ 3,000	\$ 2,000
PA Economic Development Financing Authority.....	459	475	515
Appalachia Development Administration.....	242	0	0
GENERAL FUND TOTAL.....	\$ 1,723	\$ 3,475	\$ 2,515
BEN FRANKLIN/IRC PARTNERSHIP FUND:			
Ben Franklin/IRC.....	\$ 39,649	\$ 43,400	\$ 37,950
School to Work(F).....	600	600	0
Job Link(F).....	150	150	0
NIST - Manufacturing Extension Partnership(F).....	0	1,000	3,000
BEN FRANKLIN/IRC PARTNERSHIP FUND TOTAL.....	\$ 40,399	\$ 45,150	\$ 40,950
ENERGY DEVELOPMENT FUND:			
Energy Development - Administration (96-97) (EA).....	\$ 100	\$ 100	\$ 100
Energy Development Loans/Grants (EA).....	20	250	250
ENERGY DEVELOPMENT FUND TOTAL.....	\$ 120	\$ 350	\$ 350
FINANCIALLY DISTRESSED MUNICIPALITIES REVOLVING LOAN FUND:			
Distressed Community Assistance (EA).....	\$ 1,468	\$ 2,800	\$ 2,800
HOME INVESTMENT TRUST FUND:			
HOME Investment Partnership.....	\$ 12,156	\$ 15,000	\$ 15,000
INDUSTRIAL DEVELOPMENT FUND:			
PA Industrial Development Authority.....	\$ 13,871	\$ 20,000	\$ 3,000
INDUSTRIAL SITES CLEANUP FUND:			
Industrial Sites Cleanup - Administration (EA).....	\$ 100	\$ 100	\$ 100
Industrial Sites Cleanup - Projects (EA).....	4,540	14,000	14,000
INDUSTRIAL SITES CLEANUP FUND TOTAL.....	\$ 4,640	\$ 14,100	\$ 14,100
LOCAL GOVERNMENT CAPITAL PROJECT LOAN FUND:			
Local Government Capital Project Loans (EA).....	\$ 100	\$ 1,000	\$ 1,000
MACHINERY AND EQUIPMENT LOAN FUND:			
General Operations (EA).....	\$ 150	\$ 150	\$ 150
Machinery and Equipment Loans (EA).....	16,132	18,000	15,000
MACHINERY AND EQUIPMENT LOAN FUND TOTAL.....	\$ 16,282	\$ 18,150	\$ 15,150
MINORITY BUSINESS DEVELOPMENT FUND:			
General Operations (EA).....	\$ 1,246	\$ 1,000	\$ 500
Minority Business Development Loans (EA).....	849	1,000	1,000
Transfer to Small Business First Fund (EA).....	0	5,000	1,000
MINORITY BUSINESS DEVELOPMENT FUND TOTAL.....	\$ 2,095	\$ 7,000	\$ 2,500
SMALL BUSINESS FIRST FUND:			
Administration (EA).....	\$ 664	\$ 925	\$ 925
Loans (EA).....	21,116	20,500	35,500
Pollution Prevention Loans (EA).....	0	0	2,000
EDA - Loans (EA).....	1,047	800	1,000



Community and Economic Development

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Environmental Loans (EA).....	809	1,500	1,500
EDA - Defense Conversion (EA).....	400	1,000	500
SMALL BUSINESS FIRST FUND TOTAL.....	\$ 24,036	\$ 24,725	\$ 41,425
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Underground Storage Tank Administration (EA).....	\$ 100	\$ 750	\$ 757
Upgrade Loans (EA).....	0	50,000	20,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 100	\$ 50,750	\$ 20,757
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Small Business Advocate - Workers' Compensation (R).....	\$ 142	\$ 162	\$ 176
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 288,389	\$ 349,235	\$ 300,806
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	202,369	255,405	242,363
AUGMENTATIONS.....	5,749	4,875	7,606
RESTRICTED.....	1,364	1,419	1,248
OTHER FUNDS.....	117,132	202,662	159,723
TOTAL ALL FUNDS.....	\$ 615,003	\$ 813,596	\$ 711,746

^a Actually appropriated as \$13,222,000 for General Government Operations and \$852,000 for Computer Acquisition.

^b Actually appropriated as \$13,558,000 for General Government Operations and \$852,000 for Computer Acquisition.

^c Includes \$17,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^e Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^f Actually appropriated as \$800,000 for Business Retention Program, \$1,000,000 for Business Resource Center and \$1,700,000 for Team Pennsylvania.

^g Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
COMMUNITY AND ECONOMIC DEVELOPMENT							
SUPPORT SERVICES							
GENERAL FUND.....	\$ 47,496	\$ 60,057	\$ 69,294	\$ 70,288	\$ 71,232	\$ 72,194	\$ 73,177
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,036	3,737	3,740	3,735	3,735	3,735	3,735
OTHER FUNDS.....	6,135	6,456	7,030	7,226	7,365	7,509	7,654
SUBCATEGORY TOTAL.....	\$ 55,667	\$ 70,250	\$ 80,064	\$ 81,249	\$ 82,332	\$ 83,438	\$ 84,566
BUSINESS AND JOB DEVELOPMENT							
GENERAL FUND.....	\$ 111,097	\$ 157,082	\$ 140,198	\$ 142,100	\$ 137,710	\$ 139,628	\$ 138,555
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,939	51,950	45,885	45,885	45,885	45,885	45,885
OTHER FUNDS.....	63,987	138,550	99,797	83,486	75,025	69,065	68,106
SUBCATEGORY TOTAL.....	\$ 177,023	\$ 347,582	\$ 285,880	\$ 271,471	\$ 258,620	\$ 254,578	\$ 252,546
TECHNOLOGY DEVELOPMENT							
GENERAL FUND.....	\$ 44,200	\$ 45,400	\$ 36,900	\$ 36,900	\$ 36,900	\$ 36,900	\$ 36,900
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	40,399	45,150	40,950	40,950	40,950	40,950	40,950
SUBCATEGORY TOTAL.....	\$ 84,599	\$ 90,550	\$ 77,850	\$ 77,850	\$ 77,850	\$ 77,850	\$ 77,850
COMMUNITY DEVELOPMENT							
GENERAL FUND.....	\$ 85,596	\$ 86,696	\$ 54,414	\$ 57,414	\$ 56,414	\$ 57,414	\$ 56,414
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	198,394	199,718	192,738	192,738	192,738	192,738	192,738
OTHER FUNDS.....	13,724	18,800	20,800	18,800	18,800	18,800	18,800
SUBCATEGORY TOTAL.....	\$ 297,714	\$ 305,214	\$ 267,952	\$ 268,952	\$ 267,952	\$ 268,952	\$ 267,952
ALL PROGRAMS:							
GENERAL FUND.....	\$ 288,389	\$ 349,235	\$ 300,806	\$ 306,702	\$ 302,256	\$ 306,136	\$ 305,046
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	202,369	255,405	242,363	242,358	242,358	242,358	242,358
OTHER FUNDS.....	124,245	208,956	168,577	150,462	142,140	136,324	135,510
DEPARTMENT TOTAL.....	\$ 615,003	\$ 813,596	\$ 711,746	\$ 699,522	\$ 686,754	\$ 684,818	\$ 682,914

Community and Economic Development

PROGRAM OBJECTIVE: To utilize State economic development resources in a cohesive and cost-effective manner in order to assist in the job creation and retention process within the Commonwealth.

Program: Community and Economic Development Support Services

This program works in partnership with hundreds of local, community and regional service providers to deliver resources to businesses, communities and individuals in need of assistance. Because of the complexity of the delivery system, the department plays a key role in ensuring that the system is effective and efficient. This ensures that Pennsylvania's businesses and communities provide the opportunity for all of the Commonwealth's residents to achieve a high quality of life. A loan guarantee provides funds for individuals with disabilities to purchase assistive technologies so they can fully participate in their community's economy.

A key function is the Governor's Action Team. The Action Team reacts immediately to major problems and opportunities related to economic development including major business locations, relocations, expansions or dislocations, which require administration-wide, multi-departmental involvement.

Marketing and local planning assistance efforts further supplement the daily operations of the Department of Community and Economic Development. Marketing plays an important role in two distinct areas: promoting Pennsylvania to individuals as an attractive place to vacation in order to maximize Pennsylvania's share of the tourism dollar and promoting Pennsylvania to industry as possessing a good business climate, as well as being an excellent place to live and work. Toward these ends, the department operates two separate extensive multi-media advertising campaigns, one targeting economic development and the other targeting tourism.

The economic development marketing component includes efforts to increase foreign and domestic investments in Pennsylvania, and to expand the markets for products of Pennsylvania firms overseas. A primary means available to assist export trade is to provide small businesses with support in overcoming the many legal, financial and logistical problems inherent in doing business internationally. Domestically the marketing program targets key industries—those in which Pennsylvania has exhibited a particular competitive advantage.

The tourism marketing component involves the Tourist Promotion Assistance (TPA) Grant program, which assists county and regional tourist promotion agencies in Pennsylvania by providing grants as matching assistance for advertising and promotion expenses. A key element of tourism marketing is the coordination of the Commonwealth's tourism program with the TPAs' efforts.

Local business development efforts aid in arranging financing packages, and local marketing and promotion activities, while providing direct managerial and technical assistance to small businesses. Development of collaborative day care options by groups of small businesses is supported by grants through Act 100 of 1998.

CyberStart builds on the Governor's Link-to-Learn initiative. It is a program to provide preschool children in the Commonwealth access to Internet based learning tools and program content.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Traveler expenditures (in millions)	\$11,645	\$12,227	\$13,162	\$13,820	\$14,511	\$15,236	\$15,998
Tourist Promotion Assistance: Public/private funds leveraged (in thousands)	\$35,746	\$37,534	\$42,042	\$44,144	\$46,351	\$48,668	\$51,102

It is estimated for fiscal year 1998-99 that there will be 600 export opportunities for Pennsylvania businesses where contacts were made or sales concluded from leads provided by agency overseas representatives.

Community and Economic Development

Program: Community and Economic Development Support Services (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-1,480	Cultural Expositions —nonrecurring project.	\$	10	Rural Leadership Training —to continue current program.
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Housing Research Center is continued at the current level.

In addition, the Positioning to Compete in the 21st Century Digital Economy Program Revision following the Business and Job Development Program recommends \$58,000 in Pennsylvania Economic Development Financing Authority augmentation funds to support the creation of the Pennsylvania Technology Investment Authority to provide a comprehensive approach to technology implementation and enhancements for both businesses and communities.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	14,074	14,427	17,164	17,576	17,927	18,285	18,650
International Trade	5,196	5,572	7,031	7,172	7,316	7,462	7,611
Interactive Marketing	0	0	4,000	4,000	4,000	4,000	4,000
Marketing to Attract Tourists	10,950	14,069	14,589	14,941	15,299	15,665	16,039
Marketing to Attract Business	3,000	6,150	5,150	5,150	5,150	5,150	5,150
Regional Marketing Partnerships	0	0	4,000	4,080	4,162	4,245	4,330
Marketing to Attract Film Business	261	444	455	464	473	482	492
International Marketing - Health Care	0	150	0	0	0	0	0
Housing Research Center	200	250	250	250	250	250	250
CyberStart	0	0	1,600	1,600	1,600	1,600	1,600
Historical Education/Tourism	400	3,200	0	0	0	0	0
Appalachian Regional Commission	360	360	540	540	540	540	540
Industrial Development Assistance	1,100	2,000	1,700	1,700	1,700	1,700	1,700
Local Development Districts	2,555	2,755	3,105	3,105	3,105	3,105	3,105
Tourist Promotion Assistance	8,500	9,000	9,500	9,500	9,500	9,500	9,500
Cultural Expositions	700	1,480	0	0	0	0	0
Rural Leadership Training	200	200	210	210	210	210	210
TOTAL GENERAL FUND	\$ 47,496	\$ 60,057	\$ 69,294	\$ 70,288	\$ 71,232	\$ 72,194	\$ 73,177

PROGRAM OBJECTIVE: To ensure that capital for the creation, location, retention and expansion of private business is available at each step of the business life cycle for all types and sizes of business, and to make possible lower capital costs as an attraction for businesses to invest or re-invest in Pennsylvania.

Program: Business and Job Development

The department has a broad array of programs available to create the best possible climate for business development. In 1997-98, the department instituted a single application process to make it easier for businesses to access funding from the many available loan and grant programs.

Program Element: Economic Development

Team Pennsylvania is a public-private partnership that works with the State's ten marketing regions to promote job retention, expansion and creation. The Business Calling Program is a proactive effort to contact Pennsylvania businesses to identify their needs in an effort to retain and improve their operations in Pennsylvania. Information gathered through the calling program is entered into the Resource Network database for developing long-term strategies. The Resource Network expands on the Business Resource Center to provide an Internet-based information network. This network is available to economic development professionals worldwide. It provides an efficient and effective means to access, analyze and acquire in-depth information on Pennsylvania's community and economic assets. The Human Resource Investment Council coordinates Pennsylvania's job-training programs so they are focused on improving Pennsylvania's workforce while eliminating red-tape and duplication for increased efficiency. The Export Network was established to support international trade activities of PA Businesses. The Entrepreneurial Support Networks provides improved quality and availability of services to potential entrepreneurs through the ten Team Pennsylvania regions. Team Pennsylvania contributes to the Catalyst Stage Fund, which provides venture capital financing to companies ready for accelerated growth.

The Opportunity Grant Program is a tool used by the Governor's Action Team to secure job creating economic development opportunities by preserving and expanding existing industry as well as attracting economic development prospects to the Commonwealth. The program's flexibility is the key to its usefulness. Program funds are used for job training, infrastructure, land and building improvements, machinery and equipment, working capital and environmental assessment and remediation.

The Small Business First Fund was created by Act 67 of 1996. It merged the Pennsylvania Capital Loan Fund, Storage Tank Loan Fund and Air Quality Loan Fund into a single multi-purpose fund that can make loans to small businesses for a wide range of needs. Eligible uses include

financing for: environmental needs like air quality, storage tank replacement, recycling and water quality, as well as defense conversion and hospitality industry projects. In addition the Small Business First Fund provides financial assistance for export related, advanced technology and computer related services. This budget proposes that \$1 million in assets from the Pennsylvania Minority Business Development Fund be transferred to the Small Business First Fund. Act 100 of 1998 allows for the Fund to also provide pollution prevention loans funded through a transfer from the Hazardous Sites Cleanup Fund.

The Infrastructure Development program provides grants and loans to develop and improve business sites. Funding may be provided for specific infrastructure improvements necessary to complement planned industrial investment by private companies, to restore blighted land to productive use and to develop the restored land, or for developing local infrastructure at present and future business sites. Local public and non-profit sponsors may receive grants and loans on behalf of industrial, manufacturing, research and development, agriculturally related and export service enterprises for the following improvements: energy facilities, fire and safety facilities, sewer and water systems, transportation and waste disposal facilities. Private real estate developers are also eligible if they are developing sites for eligible private companies.

The Pennsylvania Industrial Development Authority (PIDA) was established in 1956 to make long-term, low-interest business loans for job-creation or retention to firms, which are engaged in manufacturing or industrial enterprises. PIDA funds may be used for land and buildings. Current policy targets PIDA funds to small and advanced technology businesses, areas of high unemployment and enterprise zones. A qualified business may receive up to \$1 million at interest rates ranging from three and three quarters percent to six and three quarters percent, depending upon the unemployment rate in the county where the project is located.

The Machinery and Equipment Loan Fund provides low-interest loan financing to manufacturing and industrial companies to acquire and install new or used machinery and equipment. Interest rates vary depending on the county and municipality unemployment levels. A criterion of the program is that the applicant must agree to create or preserve jobs.

Job Creation Tax Credits provide \$1,000 in tax credits to approved businesses that agree to create or preserve jobs in the Commonwealth within three years. Businesses

Community and Economic Development

Program: Business and Job Development (continued)

must agree to create at least 25 new jobs or new jobs equating at least 20 percent of the existing workforce. Twenty-five percent of the tax credits allocated each year must go to businesses with less than 26 employees. The tax credits may not be utilized by a business until the jobs are actually created.

The Industrial Sites Program provides grants and low-interest loan financing to companies, private real estate developers, and municipalities performing environmental site assessment and remediation work at former industrial sites. Funds are not available for companies that caused the environmental contamination on the property.

Program Element: Job Training

The Customized Job Training Program supports new and existing firms in Pennsylvania by specifically training Pennsylvanians for new jobs or upgrading existing employees skills to accommodate new technologies. Customized job training plays an important role in creating and fostering an environment suitable to economic growth.

Grant funds are provided for businesses through education agencies and can be used for instructional costs, supplies, consumable materials and contracted services. There are three components of the program:

- ◆ industry-led skills consortiums;
- ◆ standard Customized Job Training programs; and
- ◆ guaranteed training for new and expanding businesses.

Program Element: Ports Development

The department also provides for the development of the Philadelphia, Erie and Pittsburgh ports. PENNPORTS is the agency that focuses on the economic enhancement of all three ports, including the recently created Philadelphia Regional Port Authority and Pittsburgh Port Commission, under one umbrella agency. These funds are used to aid in the development of these ports, which not only generate port and shipping related jobs, but also assist Pennsylvania firms in exporting their products.

Program Element: Pennsylvania Economic Development Financing Authority (PEDFA)

The Pennsylvania Economic Development Financing Authority (PEDFA) pools taxable and tax-exempt financing with the ability to finance economic development projects. PEDFA can finance land, buildings, machinery and equipment. Applications must be submitted through an industrial development authority.

Program Element: Minority Business

The Pennsylvania Minority Business Development Authority (PMBDA) offers low-interest loans to minority-owned businesses for fixed asset financing, working capital and other financing needs. These efforts can be particularly crucial given the difficulty minority entrepreneurs have in securing adequate funding, especially working capital. Beginning in 1998-99 some of these programs are provided through transfer to the Small Business First Fund.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Jobs created/retained:	137,381	139,000	140,000	140,500	141,000	141,500	142,000
Public/private funds leveraged (in thousands):	\$2,478,133	\$2,100,000	\$2,200,000	\$2,350,000	\$2,500,000	\$2,700,000	\$2,700,000
Businesses assisted	679	690	700	715	740	775	800
Opportunity grant projects	104	115	115	115	115	115	115

Jobs created/retained increased from those shown in the last year's budget as a result of outreach efforts and Pennsylvania's improving economy which increased demand for loan and grant programs.

Opportunity grant projects increased in size which resulted in fewer projects from last year's budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 56 Team Pennsylvania
—to continue current program.

\$ -800 PENNPORTS
—nonrecurring project.

\$ -20,000 Transfer to PA Industrial Development Authority
—PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision redirects resources for traditional business and job development efforts which will be distributed on a demand-driven basis. See the Program Revision following this program for additional information.

Community and Economic Development

Program: Business and Job Development (continued)

Program Recommendations:		This budget recommends the following changes: (Dollar Amounts in Thousands)
\$ 8,000	Transfer to Small Business First Fund —PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision redirects resources for traditional business and job development efforts which will be distributed on a demand-driven basis. See the Program Revision following this program for additional information.	\$ -3,500 Job Retention Strategies —nonrecurring project. PEDFA — PA Technology Investment Authority —PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision creates the Pennsylvania Technology Investment Authority to provide a comprehensive approach to technology implementation and enhancements for both businesses and communities. See the Program Revision following this program for additional information.
\$ -1,500	Transfer to Machinery and Equipment Loan Fund —PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision redirects resources for traditional business and job development efforts which will be distributed on a demand-driven basis. See the Program Revision following this program for additional information.	\$ -1,000 Welcome America —nonrecurring project.
\$ -8,780	Infrastructure Development —nonrecurring projects.	\$ -1,000 Regional Crime Labs —nonrecurring projects.
\$ 90	Flood Plain Management —to continue current program.	\$ -500 Fay Penn —nonrecurring project.
\$ -6,000	Homestead Property Exclusion —nonrecurring program.	\$ -150 Ali Kiski Revitalization —nonrecurring project.

All other appropriations are continued at current year levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Team Pennsylvania	\$ 3,500	\$ 8,801	\$ 8,857	\$ 9,034	\$ 5,915	\$ 6,099	\$ 6,287
PENNSPORTS	12,233	12,041	11,241	11,466	11,695	11,929	12,168
Transfer to PA Industrial Development Authority	15,000	20,000	0	0	0	0	0
Transfer to Small Business First Fund	4,000	2,000	10,000	10,000	10,000	10,000	10,000
Transfer to Machinery and Equipment Loan Fund	0	1,500	0	1,500	0	1,500	0
Opportunity Grant Program	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Customized Job Training	18,050	29,050	29,050	29,050	29,050	29,050	29,050
Infrastructure Development	20,000	33,280	24,500	24,500	24,500	24,500	24,500
Multi State Trade Consortium	54	0	0	0	0	0	0
Business Quality Partnership	250	0	0	0	0	0	0
Individual Learning Accounts	250	0	0	0	0	0	0
Small Business Development Centers	2,700	3,200	3,200	3,200	3,200	3,200	3,200
Flood Plain Management	60	60	150	150	150	150	150
Homestead Property Exclusion	0	6,000	0	0	0	0	0
Job Retention Strategies	0	3,500	0	0	0	0	0
PEDFA- PA Technology Investment Authority	0	0	18,200	18,200	18,200	18,200	18,200
Welcome America	0	1,000	0	0	0	0	0
Regional Crime Labs	0	1,000	0	0	0	0	0
Fay Penn	0	500	0	0	0	0	0
Ali Kiski Revitalization	0	150	0	0	0	0	0
TOTAL GENERAL FUND	\$ 111,097	\$ 157,082	\$ 140,198	\$ 142,100	\$ 137,710	\$ 139,628	\$ 138,555



Program Revision: Positioning to Compete in the 21st Century Digital Economy

Dramatic changes and improvements to Pennsylvania's economic development strategies have been undertaken since 1995 with the goal of positioning the Commonwealth and its businesses and entrepreneurs to excel in the new digital economy of the 21st century. Traditional mainline infrastructure and economic development programs have been streamlined and enhanced to address those sectors of Pennsylvania's economy that are forging new economic prosperity. This Program Revision seeks to continue the successful realignment of economic development strategies necessary to enable Pennsylvanians to compete and lead in a 21st century digital economy.

This Program Revision continues dramatic tax reductions that serve as perhaps the best economic development tool available. It also proposes several bold, new innovations in economic and workforce development. This proposal recommends the creation of the Pennsylvania Technology Investment Authority (PTIA) to provide new financing tools for technology companies and to refocus business development activities to the demands of the digital economy. In addition to developing strategies to grow, attract and retain technology employers, Pennsylvania has developed bold, new initiatives to educate and retain knowledge-based workers. These initiatives include the "SciTech Scholars Program" and the "GI Bill for the New Economy," which will enable Commonwealth technology firms to benefit from the large number of high-quality, high-tech students graduating from Pennsylvania colleges and universities. This Program Revision also establishes a long-term strategy for tourism development and maintains, retools or expands successful infrastructure, business attraction and retention efforts.

Providing Continued Tax Relief

Beginning in January, 1995 and continuing through the proposed budget year, Pennsylvania citizens and employers will have realized tax reductions and cost savings of nearly \$9.2 billion. Reductions in taxes on individuals and employers will exceed \$3.9 billion, reforms to the Workers Compensation Program have produced savings of over \$1.6 billion and regulatory reforms and the deregulation of certain utilities have produced over \$1.5 billion in savings to Pennsylvanians. Unemployment Compensation taxes have been reduced by \$1.2 billion for employers and over \$969 million for employees. These cost savings have been and will continue to be put to better and more economically productive uses by individual taxpayers and employers than by government.

Uncompetitive tax structures and rates can be the largest factor inhibiting economic growth and prosperity. The numerous program revisions undertaken since 1995 and

the streamlining of economic development strategies will continue to be supported and bolstered by targeted, systematic and sustained tax reductions. Many studies indicate that tax reductions alone are the single best economic development strategy governments can undertake to encourage growth and investment. This Program Revision recommends the continuation of this successful economic development strategy. As stated previously, incorporation of the tax reductions recommended in this Program Revision, when combined with prior reductions, will result in cost savings of approximately \$9.2 billion by the end of June, 2000.

The Capital Stock and Franchise tax is levied on the capital stock value of domestic and foreign corporations conducting business in the Commonwealth. Since it is primarily based on assets rather than income, the levy is unrelated to the ability to pay. To enhance the capacity of companies to reinvest funds to locate, expand or diversify their businesses, this Program Revision proposes to further reduce the Capital Stock and Franchise Tax rate from 11.99 mills to 10.99 mills effective January 1, 1999. This reduction includes a .25 mill reduction in the Capital Stock and Franchise Tax rate dedicated to the Hazardous Sites Cleanup Fund. This Program Revision also recommends reducing the mandatory minimum Capital Stock and Franchise Tax by 33 percent from \$300 to \$200 effective January 1, 1999.

When the entire business of a corporation is not transacted within Pennsylvania, taxable income under the Corporate Net Income Tax, is determined by an apportionment formula which accounts for property, payroll and sales. This Program Revision proposes a modification to the apportionment formula by increasing the weighting of the sales factor. This Program Revision proposes to increase the sales factor weighting to 60 percent. This change will lower taxes for businesses with an established base of operations in Pennsylvania versus those companies simply selling their products here. Currently, sales are double-weighted (50%) for Corporate Net Income Tax calculation purposes.

Beginning in 1982, companies could deduct any net operating losses from previous years from their current Corporate Net Income Tax liability to arrive at their tax liability. Net operating loss (NOL) deductions were capped at \$1 million per tax year but any unused deductions could be carried forward for up to three years. This tax change was designed to encourage firms to invest in Pennsylvania and create jobs and provide relief to companies with startup losses or cyclical earning patterns. For tax years 1988 through 1994, the ability of corporations to deduct net operating losses was substantially restricted and then

Program Revision: Positioning to Compete in the 21st Century Digital Economy (continued)

eliminated. Beginning with tax year 1995, the deduction was restored. In 1998 the period of years for which a NOL may be carried forward was extended from three years to a maximum period of ten years. This Program Revision proposes to double the NOL cap from the current \$1 million per tax year to \$2 million per tax year. The increase in the NOL cap will assist Pennsylvania firms and the Commonwealth to compete for the attraction and retention of job creators, encourage growth in emerging high technology companies and assist those firms with cyclical profit experience. Under this proposal, the increase in the NOL cap becomes effective January 1, 1999.

The Gross Receipt Tax on Natural Gas is a tax levied on the gross receipts from business transacted wholly within Pennsylvania by regulated utilities for the sale of natural gas. The tax is levied at 45 mills on gross receipts plus a 5 mill surtax which was enacted in 1991. Since in fiscal year 1993-94, 0.25 mills is being transferred annually to the Alternative Fuels Incentive Grant Fund. Pennsylvania's tax rate on natural gas is the second highest in the nation and more than four times the national average. Moreover, the burden of the Gross Receipts Tax on Natural Gas is passed along directly to consumers and businesses that purchase natural gas. This Program Revision seeks to eliminate this burden on consumers by eliminating the Gross Receipts Tax on natural gas effective January 1, 2000. More than 2 million residential and business consumers will benefit from this reduction. In addition, the elimination of this tax will lead to deregulation of the natural gas market and contribute to the continued economic expansion of the Commonwealth.

Often the primary obstacle to participating in economic opportunities available for individuals and families is a lack of financial resources. Working families often exhaust most, if not all, of their income to cover basic living expenses, which makes it difficult to seize new opportunities, save for the future or start a new business. This Program Revision proposes to increase the amount of discretionary income working families retain by amending the special forgiveness provisions in Pennsylvania's Personal Income Tax. Special tax forgiveness provisions to the Pennsylvania Personal Income Tax (PIT) allow eligible claimants to reduce their tax liability depending upon the amount of their eligible income. This Program Revision increases the dependent exemption from \$6,000 to \$6,500. With this proposal, a qualifying family of four with taxable income up to \$26,000 will owe no tax for an annual savings of \$728.

Pennsylvania Technology Investment Authority

The creation of the Pennsylvania Technology Investment Authority (PTIA) is designed to enable Pennsylvania to meet the financing needs of high technology, knowledge-based companies that differ from the more traditional asset-based financing. This transformation will provide new financing tools for technology companies and refocus business development activities to the demands of the new economy. The PTIA proposal decisively focuses the

Commonwealth's economic development strategies to serve as a catalyst to better position Pennsylvania in the digital economy. Specifically, the proposal seeks: to continue the evolution of the Pennsylvania Economic Development Financing Authority to provide a new innovation for investing; to harness partnerships with economic and community development organizations to ensure businesses, workers, local governments and communities thrive in the digital economy; to advance the use of digital technology to expand exports, tourism, and access to job training; and to ensure that opportunities of the information technology revolution are open to all citizens, businesses and communities.

The PTIA would be established within the Pennsylvania Economic Development Financing Authority (PEDFA), which will enable it to serve both business and community interests and provide comprehensive technology financing assistance including loans, grants, equity or equity-type investment and bond financing. Placement within PEDFA will facilitate coordination with Team Pennsylvania and the Ben Franklin/IRC Board to ensure that the approach to technology implementation and enhancement is consistent and non-duplicative.

While Pennsylvania has been making significant progress in the development of high technology products and firms, the PTIA is designed to position the Commonwealth as the national leader in technology business, technology development and technology-related employment. Recent studies have indicated that the State has improved its ability to attract technology and technology-related companies as evidenced by Pennsylvania having the nation's third largest concentration of technology firms (4,500) employing over 145,000 people. This Program Revision provides a total of \$18.2 million to provide the initial capitalization of PTIA. Full capitalization of this new technology financing tool will occur over five years, involve the reorganization of several existing funding streams and result in a \$100 million technology investment strategy to grow, attract and retain high-tech knowledge-based firms and entrepreneurs. PTIA's mission will be threefold. First, to provide high-tech financing to small and medium-sized firms. Second, to stimulate the adoption and expansion of electronic commerce, both in the public as well as the private sector. Finally, to coordinate and expand university-based research and development in high-tech fields.

As part of the \$18.2 million provided to the PTIA through this Program Revision, \$10 million is recommended as a first installment in a \$50 million pool of available technology financing. Over five years technology financing will enable the PTIA to provide direct loans, grants and equity investments in high-tech businesses and communities. The flexibility of PTIA will also enable Pennsylvania to close a competitiveness gap with other states regarding the ability to rapidly provide high-tech firms with facilities on a lease basis. Foreign technology investment will also be targeted through the development of Technology Trade Ports. These



Community and Economic Development

Program Revision: Positioning to Compete in the 21st Century Digital Economy (continued)

Trade Ports will be used as follow-up mechanisms to overseas missions and will utilize video conferencing and virtual trade shows to attract foreign investment. Technology Trade Ports will market PTIA's ability to finance state-of-the-art facilities that can serve as a foreign technology company's entry in the North American market. This Program Revision provides \$250,000 to develop and establish Technology Trade Ports.

In addition to providing innovative financing options to attract and retain high-tech companies, this Program Revision provides \$1 million in Electronic-Commerce grants to encourage existing businesses to participate more fully in the digital economy. Small business operations will also be encouraged to become more proficient with electronic means of commerce. Innovative, high-tech financing options are just some of the necessary ingredients to growing, attracting and retaining growth-oriented knowledge-based companies. Local communities and local governments also play a leading role. The PTIA proposal recommends \$1 million for the Digital Main Street Program to assist communities in the development of amenities and services for technology-oriented workers. Digital Main Street funds may be utilized for the development of telecommuting centers, internet promotion of downtown businesses or the design of residential complexes aimed at technology workers. An additional \$750,000 is also recommended for the Community and Local Government Resource Network which will encourage local governments to become part of the technology age. The PTIA will also provide a total of \$200,000 to expand the Assistive Technology Program. This initiative provides loan guarantees to Pennsylvanians with disabilities so that they may obtain assistive technology.

Another primary focus of the PTIA will be to integrate university-based technology research and development into business and economic development initiatives. This Program Revision recommends \$5 million, as part of the \$18.2 million provided for PTIA, to coordinate research efforts and foster greater synergy between university research and job growth. Three existing National Science Foundation and Research and Development matching grants will be redirected to the PTIA in order to increase technology commercialization initiatives in Pennsylvania.

In addition to the creation of the PTIA, this Program Revision provides \$350,000 in additional technology-related funding for Local Development Districts in order to extend and enhance PASourceNet for export promotion and international trade opportunities. Technology enhancements are also recommended for economic and community development information systems in order to improve customer service and to extend the Electronic Single Application. A total of \$2.448 million is provided to complete the digitalization and integration of economic and community development efforts.

The creation and implementation of the PTIA and other technology-related recommendations will enhance the

Commonwealth's preparations to compete and lead in the future. The PTIA assists in completing the development of strategies for the knowledge-based digital economy. PTIA's innovative financing options will encourage private sector partners, encourage accelerated university commercialization, stimulate venture capital for technology-based entrepreneurs, attract new economic leaders and provide mezzanine-level financing to launch new high technology, high growth businesses for the digital economy.

Educating and Retaining Skilled and Knowledge-Workers

The strong economy and the increasing technological nature of virtually all jobs in Pennsylvania are creating challenges for employers to attract, retain and develop its workforce. Workers who are highly skilled and highly trained in the creation, application, and use of the latest, cutting-edge technology have become one of the main drivers of the new economy. To address these needs, the Commonwealth faces two critical workforce issues. The first is the fact that thousands of students stay in or come to Pennsylvania to receive their higher education, but many leave for career opportunities elsewhere. The challenge is to retain them by encouraging them to start their careers in Pennsylvania upon graduation. The second critical issue involves ensuring that Pennsylvania workers have the knowledge and skills they need to succeed in the jobs of the new economy. The competitiveness of Pennsylvania firms and the standard of living of Pennsylvania communities depend upon our ability to supply the knowledge power for the industries and drivers of the new economy.

This Program Revision provides over \$17 million for two initiatives to address these critical issues: the "SciTech Scholars Program" and the "GI Bill for the New Economy." The SciTech Scholars Program targets Pennsylvania college and university students majoring in a science or technology-related field of study. Scholarships of \$3,000 a year will be awarded to Pennsylvania residents enrolled at a Pennsylvania public or private college or university for their second through fourth years of education. Further, the SciTech Scholars Program will continue for a fifth year if it is required for graduation. Students must maintain a grade point average of 3.0 or higher, complete an internship with a Pennsylvania company, and work in Pennsylvania following graduation for each year of scholarship received or the scholarship reverts to a loan that must be repaid.

The GI Bill for the New Economy is targeted to students and workers seeking less than a four-year degree in a science or technology-related field. Scholarships of \$1,000 a year will be awarded to Pennsylvania students and workers enrolled at a Pennsylvania community college or two-year private technical institute, for the first and second years of study. The scholarships could cut in half the cost for tuition and fees at most of Pennsylvania's community colleges.



Community and Economic Development

Program Revision: Positioning to Compete in the 21st Century Digital Economy (continued)

Scholarship recipients must maintain a 3.0 GPA and complete their associate's degree or the scholarship reverts to a loan.

The cost of the SciTech Scholarship Program and the GI Bill for the New Economy is estimated at almost \$50 million by year three and will benefit approximately 23,000 students. Together these initiatives will ensure that Pennsylvania has the highly skilled and trained workers required by the new economy. These two new scholarship programs will be administered by the Pennsylvania Higher Education Assistance Agency.

Whereas the SciTech Scholarship Program and the GI Bill for the New Economy build upon technology innovations and enhancements for educational advancement which have been implemented over the past four years, this Program Revision provides funding to utilize technology to jump start the learning process for some of Pennsylvania's youngest minds. Research indicates that children begin interacting with computers in meaningful ways by age three. The Cyberstart Program is intended to provide pre-school age children across the Commonwealth with access to Internet-based learning tools. This Program Revision provides \$1.6 million in funding to provide free Internet access to over 4,000 licensed day care centers. The Cyberstart initiative will also establish the Center for Creative Learning which will stimulate the development of innovative Internet-based educational technology.

As previously mentioned, the strong evolving economy and the increasing technological nature of virtually all jobs in Pennsylvania has created challenges for the development a high-tech workforce. Workers who are highly skilled and highly trained in the creation, application, and use of cutting-edge technology have become one of the main drivers of the new economy. However, traditional employment opportunities are also requiring more and more advanced technology knowledge and skill. To address these issues, Pennsylvania established the Human Resources Investment Council (HRIC) in December 1997, to foster a customer-driven approach to the Commonwealth's current workforce development programs. Pennsylvania will begin implementation of the Workforce Investment Act during fiscal year 1999-00. By incorporating the delivery of services into a seamless, integrated system, called *Team Pennsylvania Career Link*, and ensuring greater performance and accountability through system wide measures, the five year investment strategy will seek to develop a world class workforce development system that supports the State's current and future economic development needs.

Marketing and Tourism Promotion

Aggressively marketing Pennsylvania as an attractive site for business location and expansion has been a Commonwealth goal. Recently expanded marketing efforts are highlighting Pennsylvania's new approach to economic

development, job creation, regulatory reforms, utility deregulation and dramatic tax reductions. This Program Revision seeks to bolster the successful marketing of Pennsylvania businesses, its economic competitiveness and tourism destinations.

Since 1995, a major focus of Pennsylvania's marketing and economic development strategies has been an effort to dramatically expand exports. By 1997, the Commonwealth had achieved its initial goal of expanding exports by \$6 billion annually, a growth of 40 percent. Since 1995, Pennsylvania has tripled the number of foreign offices which gain and expand access to overseas markets. This Program Revision provides an additional \$1.455 million to expand international trade and marketing efforts. Additional funding will be utilized to expand the "hub and spoke" network of overseas offices and representatives and to increase the number of international trade missions.

Pennsylvania now has one of the most aggressive tourism and export strategies in the nation. Tourism in Pennsylvania is growing at twice the national average and the State is a leader in interactive marketing. This Program Revision continues to market the economic, community, historical and natural resources of the Commonwealth in order to expand economic opportunities. This Program Revision provides nearly \$10 million in additional funding to begin to implement recommendations from the Travel and Tourism Advisory Council's five year tourism master plan and to expand exports and international trade. Proposals recommended and funding provided are part of the comprehensive tourism strategy for positioning what will be Pennsylvania's leading industry in the 21st Century.

An additional \$3.5 million to support the Marketing to Attract Tourists Program is provided. The additional funding will be utilized to bolster the Commonwealth's fully integrated, multi-media marketing campaign which seeks to cooperatively market in partnership with the private sector to leverage the Commonwealth's resources to reach broader markets. Expanded marketing efforts will bolster the Commonwealth's television and radio advertising presence and Pennsylvania will expand its international advertising and direct marketing.

Pennsylvania has emerged as a leader in the use of interactive technologies for tourism and business development. This Program Revision provides \$4 million to institutionalize and expand current interactive marketing efforts which are aimed at highlighting the economic benefits and quality of life attributes of the Commonwealth. Additional resources represent the first step in a commitment to redirect up to 50 percent of all marketing funds to the internet. Interactive marketing will also focus on the attraction and retention of technology students and knowledge workers.

This Program Revision also recommends the redirection of \$3 million from the Marketing to Attract Tourists Program to the new Regional Marketing Partnerships Program which



Community and Economic Development

Program Revision: Positioning to Compete in the 21st Century Digital Economy (continued)

will be expanded by an additional \$1 million in funding. The new Regional Marketing Partnerships Program will coordinate and allocate regional efforts to promote the Commonwealth's many destinations, events and cultural and historic assets. Finally, an additional \$500,000 is recommended for Tourist Promotion agencies, the Commonwealth's local marketing partner.

Retooling Traditional Programs for the Digital Economy

Recent economic development efforts have redirected the mix of traditional economic development financial assistance programs. The result has been a streamlined, consolidated and focused strategy that is responsive to the challenges, demands and vision of Pennsylvania businesses. This strategy is focused on flexibility, coordination and regional empowerment. Streamlined economic development strategies have resulted in a manageable number of traditional financing programs that require periodic re-capitalization. This Program Revision proposes to establish a pool of funding for traditional business development and financing programs to be distributed annually on a demand driven basis. Funding requirements for the Pennsylvania Industrial Development

Authority (PIDA), Small Business First (SBF) and Machinery and Equipment Loan Fund (MELF) will be monitored on a demand and loan fund financial status basis in order to determine future allocations.

Following this approach, this Program Revision provides an additional \$8 million for the Small Business First Program to expand support for the capital needs of small businesses, which are critical drivers of the new economy. By addressing capital needs of small businesses which are poised for exceptional growth, the Commonwealth can maximize economic opportunities available. Retooling traditional economic development financing programs represent the Commonwealth's continued focus and commitment to meeting the traditional, asset-based financing needs of businesses. Traditional industrial-based financing through PIDA will continue at impressive levels with \$100 million available for loans to encourage business expansion, relocation and modernizations. Efforts to meet the expanding capital needs of small businesses will continue with nearly \$40 million in loan financing available. Investments in machinery and equipment needed to drive the Commonwealth's competitive engine will also continue with over \$15 million available for loans.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Technology related jobs created							
Current	2,100	2,150	2,200	2,300	2,400	2,500	2,600
Program Revision	0	0	3,100	3,200	3,300	3,400	3,500
Technology related public/private funds leveraged (in thousands)							
Current	\$144,000	\$145,000	\$146,000	\$147,000	\$148,000	\$149,000	\$150,000
Program Revision	\$0	\$0	\$155,000	\$156,000	\$157,000	\$158,000	\$160,000
Technology related businesses assisted							
Current	1,800	1,810	1,815	1,820	1,825	1,830	1,835
Program Revision	0	0	1,975	1,980	1,985	1,990	2,000
Local Development Districts matches completed							
Program Revision	0	0	500	500	500	500	500
Students receiving SciTech Scholarships or GI Bill for the New Economy							
Program Revision	0	0	7,667	15,334	23,001	23,001	23,001
Certified Day Care Centers provided with free Internet access							
Program Revision	0	0	4,000	4,000	4,000	4,000	4,000
Travel expenditures (in millions)							
Current	\$11,645	\$12,227	\$12,838	\$13,480	\$14,154	\$14,862	\$14,862
Program Revision	\$0	\$0	\$13,162	\$13,820	\$14,511	\$15,236	\$15,998
Tourist Promotion Assistance: public/private Funds leveraged (in thousands)							
Current	\$35,746	\$37,534	\$39,410	\$41,381	\$43,450	\$45,622	\$45,622
Program Revision	\$0	\$0	\$42,042	\$44,144	\$46,351	\$48,668	\$51,102
Additional overseas offices and representatives fully funded							
Program Revision	0	0	5	5	5	5	5

Community and Economic Development

Program Revision: Positioning to Compete in the 21st Century Digital Economy (continued)

Program Revision Recommendations: (continued)

This budget recommends the following changes:
(Dollar Amounts in Thousands)

Transfer to Machinery and Equipment Loan Fund
 \$ -1,500 —to redirect resources for traditional asset-based financing programs which will be allocated on an annual demand driven basis.

SciTech and GI Bill Scholarships — Administration
 \$ 661 —to provide funding to administer the new SciTech and GI Bill Scholarships Programs.
 \$ 28,648 *Program Revision Total*

HIGHER EDUCATION ASSISTANCE AGENCY SciTech and GI Bill Scholarships
 \$ 14,500 —to provide \$3,000 scholarships to qualified students majoring in science or technology-related fields of study.
 2,034 —to provide \$1,000 scholarships for qualified students and workers enrolled in eligible science and technology fields.
 \$ 16,534 **SciTech and GI Bill Scholarships Total**

This Program Revision is also supported with Augmentation Funds. The proposed use of these funds follows: (Dollar Amounts in Thousands)

COMMUNITY AND ECONOMIC DEVELOPMENT
PEDFA — Pennsylvania Technology Investment Authority
 \$ 58 —to provide administrative support for the implementation of the Pennsylvania Technology Investment Authority.

Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Community and Economic Development							
General Government Operations	\$ 0	\$ 0	\$ 2,348	\$ 2,497	\$ 2,547	\$ 2,598	\$ 2,650
International Trade	0	0	1,455	1,484	1,514	1,544	1,575
Interactive Marketing	0	0	4,000	4,000	4,000	4,000	4,000
Marketing to Attract Tourist	0	0	500	3,570	3,641	3,714	3,789
Marketing to Attract Business	0	0	-1,000	0	0	0	0
Regional Marketing Partnerships	0	0	4,000	4,080	4,162	4,245	4,330
Transfer to Ben Franklin/IRC	0	0	-2,000	0	0	0	0
Transfer to Pennsylvania Industrial Development Authority	0	0	-20,000	0	0	0	0
Transfer to Small Business First Fund	0	0	8,000	8,000	8,000	8,000	8,000
Transfer to Machinery and Equipment Loan Fund	0	0	-1,500	0	0	0	0
CyberStart	0	0	1,600	1,600	1,600	1,600	1,600
Local Development Districts	0	0	350	350	350	350	350
Tourist Promotion Assistance	0	0	500	500	500	500	500
Super Computer Center	0	0	-2,000	0	0	0	0
Infrastructure Technical Assistance	0	0	-3,000	0	0	0	0
PEDFA — Pennsylvania Technology Investment Authority	0	0	18,200	18,200	18,200	18,200	18,200
Higher Education Assistance Agency							
SciTech and GI Bill Scholarships	0	0	16,543	33,068	49,602	49,602	49,602
SciTech and GI Bill Scholarships — Administration	0	0	661	661	661	661	661
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 28,648	\$ 78,010	\$ 94,777	\$ 95,014	\$ 95,257



Community and Economic Development

PROGRAM OBJECTIVE: *To promote the use of advanced technology in order to help Pennsylvania industries compete successfully in the national and international market places; to encourage research and development of new products and processes that will foster the start-up of new business within the Commonwealth; and to fund research centers that will provide an incentive for indigenous business formation, as well as serving to attract investment in Pennsylvania.*

Program: Technology Development

Recognizing the instrumental role that technology development plays in Pennsylvania's effort to remain competitive in the national and international marketplace, the Commonwealth supports efforts to develop technological advances of benefit to its businesses and industries.

The Ben Franklin Partnership/Industrial Resource Centers Partnership (BF/IRC) Program is the Commonwealth's major technology development program for business. The program promotes advanced technology in Pennsylvania's traditional and emerging manufacturing industries as well as small businesses. The program supports a wide range of initiatives to modernize machinery and equipment to improve productivity, streamline operations and increase product choice and

develop a technologically skilled workforce for Pennsylvania.

The IRC portion is designed to improve the competitive ability of Pennsylvania's traditional and emerging manufacturing firms by helping them to understand and implement modern manufacturing techniques and technologies. While the Ben Franklin Partnership helps companies develop new technologies, the IRCs work with existing small and medium size manufacturers to quickly adopt existing technologies and techniques that do not require substantial research. The centers are operated as nonprofit corporations and are given significant direction from the Ben Franklin/IRC Partnership Advisory Board, comprised, in the majority, of private sector representatives.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Jobs created/retained:	2,100	2,150	3,100	3,200	3,300	3,400	3,500
Public/private funds leveraged (in thousands):	\$144,800	\$145,000	\$155,000	\$156,000	\$157,000	\$158,500	\$160,000
Businesses assisted	1,800	1,810	1,975	1,980	1,985	1,990	2,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -1,500	Transfer to Ben Franklin/IRC
-2,000	—nonrecurring project.
	—PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision redirects resources to establish the Pennsylvania Technology Investment Authority to provide a comprehensive approach to technology implementation and enhancements for both businesses and communities. See the Program Revision following the Business and Job Development Program for additional information.
\$ -3,500	Appropriation Decrease

\$ -2,000	Super Computer Center
	—PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision redirects resources to establish the Pennsylvania Technology Investment Authority to provide a comprehensive approach to technology implementation and enhancements for both businesses and communities. See the Program Revision following the Business and Job Development Program for additional information.

\$ -3,000	Infrastructure Technical Assistance
	—PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision redirects resources to establish the Pennsylvania Technology Investment Authority to provide a comprehensive approach to technology implementation and enhancements for both businesses and communities. See the Program Revision following the Business and Job Development Program for additional information.



Community and Economic Development

Program: Technology Development (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Transfer to Ben Franklin/IRC Fund	\$ 39,700	\$ 40,400	\$ 36,900	\$ 36,900	\$ 36,900	\$ 36,900	\$ 36,900
Super Computer Center	2,000	2,000	0	0	0	0	0
Infrastructure Technical Assistance	2,500	3,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 44,200	\$ 45,400	\$ 36,900	\$ 36,900	\$ 36,900	\$ 36,900	\$ 36,900



Community and Economic Development

PROGRAM OBJECTIVE: To enhance the total environment of Pennsylvania's communities through improvements in the areas of housing, community development, job training and human services.

Program: Community Development

Program Element: Housing and Redevelopment

Housing and Redevelopment provides grants to communities, redevelopment authorities and nonprofit organizations to improve blighted neighborhoods through redevelopment and to provide low and moderate income housing through rehabilitation. Within this program, Downtown Assistance and Preservation funds help revitalize central business districts in aging communities.

The weatherization component of the element provides funds to weatherize existing housing through furnace retrofits as well as the installation of insulation, storm doors and windows in homes of persons who meet income eligibility standards developed by the Federal Government. Weatherization is funded from U.S. Department of Energy weatherization funds.

The National Affordable Housing Act of 1990 provides funding to expand the supply of affordable housing for low-income families. A variety of options is available to meet this objective: incentives to develop and support rental housing and home ownership through acquisition, construction or rehabilitation; funding to finance relocation of displaced persons; rental assistance; and rehabilitation of substandard housing. Act 172 of 1992 established a separate special fund entitled the HOME Investment Trust Fund, as required by the U.S. Department of Housing and Urban Development (HUD), to administer these funds.

Program Element: Community Development

The Federal Small Communities Block Grant (SCBG) provides assistance in expanding low and moderate income housing opportunities, enhancing economic development and job opportunities for low and moderate income individuals, correcting public facilities such as water and sewer systems, and improving public facilities that affect public health and safety.

The State funded Enterprise Zone Program provides grants for locally planned innovative projects which can stimulate private investment and create jobs in State-designated enterprise zones. These efforts are also supported by use of Neighborhood Assistance Tax Credits.

The World Class Communities Program helps communities develop strategies and plans for economic development, growth management and environmental protection. This new program addresses issues raised by the 21st Century Commission. It consolidates two current

programs, Planning Assistance and Shared Municipal Services, and expands activities. Planning Assistance funds help communities develop strategies and plans for economic development, growth management and environmental protection. Shared Municipal Services assists communities in improving operational efficiencies through cooperative activities. This program assists Councils of Governments and other agencies in implementing programs of inter-municipal cooperation, which will reduce local government costs and implement more efficient and coordinated local government programs and services.

Communities declared financially distressed in accordance with the provisions of Act 157 of 1988 receive assistance in the form of grants and loans.

Act 23 of 1997 established the Family Savings Account Program to provide matching funds as an incentive for low-income families to establish savings accounts for home ownership, educational expenses and to start businesses.

Act 92 of 1998 established the Keystone Opportunity Zones (KOZs). The KOZs are community development initiatives to revive economically distressed urban and rural communities. These zones will be defined, limited areas in communities with greatly reduced or no tax burdens for residents and businesses located within the zones. There will be up to twelve zones designated for this one-time program and tax waivers will exist for up to twelve years.

The Job Enhancement Act was amended by Act 100 of 1998 and establishes the Community Development Bank. The bank makes capital available for community development lending and provides technical assistance grants to promote the creation and ownership of Community Development Financial Institutions within distressed communities.

Program Element: Job Training and Human Services

The Community Conservation and Employment Program provides funds to municipalities, community action agencies and nonprofit sponsors for the development of employment opportunity and conservation activities.

The Community Services Block Grant (CSBG) provides funds for community-based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.



Community and Economic Development

Program: Community Development (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Housing and Redevelopment:							
Rehabilitation of existing units with							
State funds	2,000	2,000	1,500	1,500	1,500	1,500	1,500
Homes weatherized	6,593	7,100	6,500	6,500	6,500	6,500	6,500
Small Communities Block Grant:							
Jobs created and/or retained	2	50	50	50	50	50	50
Housing units rehabilitated	1,417	1,700	1,600	1,600	1,600	1,600	1,600
Community Development:							
Designated distressed communities assisted	15	13	12	12	12	12	12
Shared Municipal Services:							
Local governments assisted	573	573	573	573	573	573	573
Job Training and Human Services:							
Persons Participating:							
Community Conservation and Employment	2,439	2,853	2,853	2,800	2,800	2,800	2,800
Community Services Block Grant	633,991	550,000	550,000	550,000	550,000	550,000	550,000
Employment related services and training projects	1,560	1,794	1,700	1,700	1,700	1,700	1,700
Job Placement Program:							
Persons placed	914	968	986	986	986	986	986

Job created and/or retained through the Small Communities Block Grant were lower than estimated in last year's budget because projects will not be completed until subsequent years.

Local governments assisted in Shared Municipal Services increased from last year's budget as a result of a stronger outreach program.

Persons participating through the Community Conservation and Employment Program increased in the actual year from last year's budget due to more funding being used for traditional employment and training activities.

Persons participating in the Community Services Block Grant are decreasing from the projections last year's budget due to a change in program to provide more individualized service.

Job placements decreased from the projections in last year's budget because recipients are provided with other services in addition to job placement.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -1,000	Transfer — Financially Distressed Municipalities Aid Fund —financial solvency of the fund results in no need for General Fund Transfer.	\$ -900	Shared Municipal Services —PRR — Vision for a 21st Century Environment. This Program Revision redirects program support to the new World Class Communities Program to encourage the sharing of municipal services and joint municipal planning efforts regarding land use issues. See the Program Revision following the Environmental Protection and Management Program in the Department of Environmental Protection for additional information.
\$ -2,075	Housing & Redevelopment Assistance —nonrecurring projects.		
\$ -1,250	Community Development Bank —nonrecurring first year program costs.		
\$ -750	Family Savings Accounts —nonrecurring program costs.		

Community and Economic Development

Program: Community Development (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-2,332	Enterprise Development —nonrecurring projects.	\$	-25,000	Community Revitalization —nonrecurring projects.
\$	-375	Planning Assistance —PRR — Vision for a 21st Century Environment. This Program Revision redirects program support to the new World Class Communities Program to encourage the sharing of municipal services and joint municipal planning efforts regarding land use issues. See the Program Revision following the Environmental Protection and Management Program in the Department of Environmental Protection for additional information.	\$	-600	Main Street Program —nonrecurring projects.
			\$	2,000	World Class Community —PRR — Vision for a 21st Century Environment. This Program Revision provides support for the World Class Communities Program to encourage the sharing of municipal services and municipal planning efforts regarding land use issues. See the Program Revision following the Environmental Protection and Management Program in the Department of Environmental Protection for additional information.

Community Conservation and Employment is continued at the current level.

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program in the Department of Public Welfare provides \$2,000,000 in Long-Term Care Intergovernmental Transfer funds and \$500,000 in existing Federal funds to provide persons with disabilities financial assistance for home modifications and information regarding home modifications and home ownership. The Department of Community and Economic Development will provide \$500,000 of the \$2,000,000 in Long-Term Care Intergovernmental Transfer funds to the Pennsylvania Housing Finance Agency to provide persons with disabilities financial assistance for home modifications and home ownership.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Transfer: Financially Distressed							
Municipalities Aid Fund	\$ 1,000	\$ 1,000	\$ 0	\$ 1,000	\$ 0	\$ 1,000	\$ 0
Housing & Redevelopment Assistance	15,575	16,075	14,000	16,000	16,000	16,000	16,000
Community Development Bank	15,000	2,000	750	750	750	750	750
Family Savings Accounts	1,250	1,250	500	500	500	500	500
Shared Municipal Services	600	900	0	0	0	0	0
Enterprise Development	6,996	6,996	4,664	4,664	4,664	4,664	4,664
Planning Assistance	175	375	0	0	0	0	0
Community Revitalization	35,000	45,000	20,000	20,000	20,000	20,000	20,000
Main Street Program	0	3,100	2,500	2,500	2,500	2,500	2,500
Community Conservation and Employment	10,000	10,000	10,000	10,000	10,000	10,000	10,000
World Class Community	0	0	2,000	2,000	2,000	2,000	2,000
TOTAL GENERAL FUND	\$ 85,596	\$ 86,696	\$ 54,414	\$ 57,414	\$ 56,414	\$ 57,414	\$ 56,414





DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

The Department of Conservation and Natural Resources is responsible for managing the State's natural resources, including the protection and management of the State's parks and forests. The department also provides financial assistance to municipalities in acquiring and rehabilitating parks, open space and community center buildings.

The Conservation and Natural Resources Advisory Council is included in the department's presentation.



Conservation and Natural Resources

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 3,953

This Program Revision provides information technology for the management, collection and dissemination of geospatial data, and base stations, and mobile and portable radio equipment for participation in the Statewide Radio System . This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.

Department Total.....	\$ 3,953
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Conservation and Natural Resources

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
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GENERAL FUND:

General Government:

General Government Operations	\$ 11,145	\$ 12,611^a	\$ 17,268
(F)Surface Mining Control and Reclamation.....	147	180	180
(F)Topographic and Geologic Survey Grants.....	133	160	175
(F)Bituminous Coal Resources.....	123	230	230
(F)Intermodal Surface Transportation Act.....	0	3,000 ^b	4,000
(F)Land and Water Conservation Fund.....	797	1,100	775
(F)Economic Action Programs.....	50	100	100
(A)Payment for Department Services.....	91	204	135
(A)Water Well Drillers.....	55	65	65
(A)Keystone Recreation, Park and Conservation Fund.....	2,382	1,731	1,800
(A)Purchasing Card Rebate.....	3	0	0
Subtotal.....	\$ 14,926	\$ 19,381	\$ 24,728

State Parks Operations	48,201	54,968^c	57,266
(F)Recreational Trails.....	134	1,500	1,500
(F)Heritage Preservation.....	0	450	450
(F)January 1996 Flood Disaster - Disaster Assistance.....	832	2,000	2,000
(F)July 1996 Storm Disaster - Disaster Assistance.....	34	0	0
(F)November 1996 Storm Disaster - Disaster Assistance.....	53	0	0
(F)September 1996 Storm Disaster - Disaster Assistance.....	175	175	0
(A)PCC Programs - Parks.....	107	400	400
(A)Reimbursement - Sewer System.....	84	95	95
(A)Reimbursement - Kings Gap Use.....	45	75	75
(A)State Parks User Fees.....	11,400	12,000	12,000
(A)Prior Year Revenue - Parks.....	156	600	437
(A)Reimbursement for Services.....	27	93	93
Subtotal.....	\$ 61,248	\$ 72,356	\$ 74,316

State Forests Operations	13,737	13,160^d	13,530
(F)Forest Fire Protection and Control.....	315	315	400
(F)Forestry Incentives and Agriculture Conservation.....	13	40	50
(F)Forest Management and Processing.....	200	215	300
(F)Cooperative Forest Insect and Disease Control.....	250	250	250
(F)Tree Planting.....	16	0	0
(F)Wetland Protection Fund.....	108	200	200
(F)Nonpoint Source - Riparian Buffers.....	0	58	58
(A)Reimbursement for Services.....	236	100	100
(A)Sale of Forest Products.....	30	0	0
(A)Reimbursement - Forest Fires.....	131	350	350
(A)Sale of Vehicles - Forests.....	9	25	25
(A)Private Donations.....	5	35	35
(A)Timber Sales.....	19,425	22,989	22,989
(A)PCC Programs - Forests.....	0	400	400
(A)Reimbursement - Forest Pest Management.....	438	470	470
Subtotal.....	\$ 34,913	\$ 38,607	\$ 39,157

Forest Pest Management	3,023	2,260^e	2,314
(F)Forest Insect and Disease Control.....	287	1,220	900
(A)Reimbursement from Counties.....	0	50	50

Subtotal.....	\$ 3,310	\$ 3,530	\$ 3,264
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Subtotal - State Funds.....	\$ 76,106	\$ 82,999	\$ 90,378
Subtotal - Federal Funds.....	3,667	11,193	11,568
Subtotal - Augmentations.....	34,624	39,682	39,519

Total - General Government.....	\$ 114,397	\$ 133,874	\$ 141,465
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Grants and Subsidies:

Heritage and Other Parks.....	\$ 4,100	\$ 4,750	\$ 2,750
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Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Annual Fixed Charges - Flood Lands.....	37	42	42
Annual Fixed Charges - Project 70.....	29	35	35
Annual Fixed Charges - Forest Lands.....	2,414	2,450	2,450
Annual Fixed Charges - Park Lands.....	450	450	450
 Total - Grants and Subsidies.....	\$ 7,030	\$ 7,727	\$ 5,727
 STATE FUNDS.....	\$ 83,136	\$ 90,726	\$ 96,105
FEDERAL FUNDS.....	3,667	11,193	11,568
AUGMENTATIONS.....	34,624	39,682	39,519
 GENERAL FUND TOTAL.....	\$ 121,427	\$ 141,601	\$ 147,192
 KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>General Government:</i>			
Park & Forest Facility Rehab. - Bond Proceeds (EA).....	\$ 178	\$ 119	\$ 0
Park & Forest Facility Rehab. - Realty Transfer (94-95) (EA).....	2,396	1,190	0
Park & Forest Facility Rehab. - Realty Transfer (95-96) (EA).....	3,414	1,237	0
Park & Forest Facility Rehab. - Realty Transfer (96-97) (EA).....	7,882	4,887	0
Park & Forest Facility Rehab. - Realty Transfer (97-98) (EA).....	0	13,750	0
Park & Forest Facility Rehab. - Realty Transfer (98-99) (EA).....	0	0	14,633
 Subtotal.....	\$ 13,870	\$ 21,183	\$ 14,633
 Total - General Government.....	\$ 13,870	\$ 21,183	\$ 14,633
<i>Grants and Subsidies:</i>			
Grants for Local Recreation - Bond Proceeds (EA).....	\$ 5,627	\$ 5,166	\$ 0
Grants for Local Recreation-Realty Transfer Tax (94-95) (EA).....	6,203	4,881	0
Grants for Local Recreation-Realty Transfer Tax (95-96) (EA).....	2,098	6,281	0
Grants for Local Recreation-Realty Transfer Tax (96-97) (EA).....	69	9,762	0
Grants for Local Recreation-Realty Transfer Tax (97-98) (EA).....	0	11,458	0
Grants for Local Recreation-Realty Transfer Tax (98-99) (EA).....	0	0	12,194
Grants to Land Trusts - Bond Proceeds (EA).....	300	322	0
Grants to Land Trusts - Realty Transfer Tax (94-95) (EA).....	1,594	1,191	0
Grants to Land Trusts - Realty Transfer Tax (95-96) (EA).....	2,064	1,610	0
Grants to Land Trusts - Realty Transfer Tax (96-97) (EA).....	2,124	3,338	0
Grants to Land Trusts - Realty Transfer Tax (97-98) (EA).....	0	4,583	0
Grants to Land Trusts - Realty Transfer Tax (98-99) (EA).....	0	0	4,878
Grants to Zoos - Bond Proceeds (EA).....	1,100	919	0
 Subtotal.....	\$ 21,179	\$ 49,511	\$ 17,072
 Total - Grants and Subsidies.....	\$ 21,179	\$ 49,511	\$ 17,072
 KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 35,049	\$ 70,694	\$ 31,705
 MOTOR LICENSE FUND:			
<i>General Government:</i>			
Dirt and Gravel Road.....	\$ 2	\$ 1,000	\$ 1,000
 MOTOR LICENSE FUND TOTAL.....	\$ 2	\$ 1,000	\$ 1,000
 OTHER FUNDS:			
GENERAL FUND:			
Snowmobile Regulation.....	\$ 1,282	\$ 1,300	\$ 1,300
Forest Regeneration.....	1,004	2,000	2,031



Conservation and Natural Resources

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Ohioyle State Park Water Treatment System.....	45	75	75
Forest Lands Beautification Act.....	0	750	1,500
GENERAL FUND TOTAL	\$ 2,331	\$ 4,125	\$ 4,906
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 97	\$ 95	\$ 100
MOTOR LICENSE FUND:			
Forestry Bridges - Excise Tax (EA).....	\$ 3,029	\$ 6,704	\$ 3,339
OIL AND GAS LEASE FUND:			
General Operations.....	\$ 4,362	\$ 5,100	\$ 3,510
WILD RESOURCE CONSERVATION FUND:			
General Operations (EA).....	\$ 1,504	\$ 1,500	\$ 1,104
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 83,136	\$ 90,726	\$ 96,105
SPECIAL FUNDS.....	35,051	71,694	32,705
FEDERAL FUNDS.....	3,667	11,193	11,568
AUGMENTATIONS.....	34,624	39,682	39,519
OTHER FUNDS.....	11,323	17,524	12,959
TOTAL ALL FUNDS	\$ 167,801	\$ 230,819	\$ 192,856

^a Includes \$15,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Actually appropriated as \$4,000,000. Amount shown is the best current estimate of the amount available for 1998-99. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^c Includes \$70,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d Includes \$11,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^e Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
PARKS AND FORESTS MANAGEMENT							
GENERAL FUND.....	\$ 83,136	\$ 90,726	\$ 96,105	\$ 95,880	\$ 95,643	\$ 97,442	\$ 99,276
SPECIAL FUNDS.....	35,051	71,694	32,705	30,522	31,257	34,178	37,224
FEDERAL FUNDS.....	3,667	11,193	11,568	9,568	9,568	9,568	9,568
OTHER FUNDS.....	45,947	57,206	52,478	52,488	53,418	54,366	55,322
SUBCATEGORY TOTAL.....	\$ 167,801	\$ 230,819	\$ 192,856	\$ 188,458	\$ 189,886	\$ 195,554	\$ 201,390
ALL PROGRAMS:							
GENERAL FUND.....	\$ 83,136	\$ 90,726	\$ 96,105	\$ 95,880	\$ 95,643	\$ 97,442	\$ 99,276
SPECIAL FUNDS.....	35,051	71,694	32,705	30,522	31,257	34,178	37,224
FEDERAL FUNDS.....	3,667	11,193	11,568	9,568	9,568	9,568	9,568
OTHER FUNDS.....	45,947	57,206	52,478	52,488	53,418	54,366	55,322
DEPARTMENT TOTAL.....	\$ 167,801	\$ 230,819	\$ 192,856	\$ 188,458	\$ 189,886	\$ 195,554	\$ 201,390



PROGRAM OBJECTIVE: To protect and manage outdoor recreation facilities and open space areas, to provide, or assist in, effective management of forest lands, to reduce plant loss and damage caused by insects, disease and forest fires, and to provide data on geology, energy resources, groundwater and topography within the Commonwealth.

Program: Parks and Forests Management

Program Element: Management of Recreation Facilities and Areas

The system of State parks consists of 116 parks in 61 counties. Over 249,000 acres of land and 33,500 acres of water are within these parks. They attract over 36 million visitors each year and provide picnicking, swimming, hiking, bicycling, horseback riding, cross-country skiing, camping, boating, fishing and hunting opportunities for citizens and guests of the Commonwealth. In addition to managing these facilities, this program element also maintains and restores the State parks and adds new facilities where needed. User fees and concession charges are used to support the maintenance and operation of the park system. The Keystone Recreation, Park and Conservation Fund provides bond and real-estate transfer tax revenues for rehabilitation, repairs and upgrade of facilities and land acquisition for State park and forest lands.

Program Element: Management of Forest Resources

This element is responsible for the management of two million acres of State forest lands. These forest lands offer many social and recreational opportunities. Hiking, camping, hunting, fishing, cross-country skiing, canoeing and snowmobiling are examples of the diverse activities in State forests. Properly managed, forests yield economic benefits such as the promotion of tourism, harvest of timber for wood products, the protection of groundwater for municipal and other uses, and the production and underground storage of natural gas. This program also provides management assistance to the more than 490,000 owners of private forest lands and oversees fire, insect and disease control activities affecting Pennsylvania's forests.

Although there are five native insects which defoliate trees, the primary insect threat to Pennsylvania's forests is the gypsy moth. Fortunately, the number of forested acres heavily infested by the gypsy moth has continued to decline over the past several years. This may represent the nadir of the population cycle of these insects. In future years, if the gypsy moths increase throughout the State,

the number of acres treated will again rise. It is difficult to predict these levels due to the sudden outbreaks of one species of damaging insect or another.

The other major threat to Pennsylvania's forests is fire. Through aggressive prevention and extinction activities, the size of the average forest fire has been held to about five acres.

This program element also maintains the Pennsylvania Natural Diversity Inventory. This computerized data base contains location information for rare, unique and unusual features of the Commonwealth. It provides information for State and Federal regulatory agencies and for State, regional and local government planning.

Program Element: Topographic and Geologic Services

This element gathers, analyzes, interprets and disseminates information about the surface and subsurface geology, mineral and fossil energy resources, groundwater, and digital and analog topography of all areas of the Commonwealth. These surveys are used to locate hazards such as sinkholes and areas prone to landslide, to catalog coal extraction, for oil and gas drilling operations, and to provide data for activities where knowledge of the Commonwealth's topography and geology is needed.

Program Element: Local Recreation & Conservation Programs

The department administers Community, Land Trust, Rivers Conservation and Rail-to-Trails Grants from the Keystone Recreation, Park and Conservation Fund. Grants and technical assistance are provided to communities and non-profit organizations for the planning, acquisition, and development of park, recreation and conservation areas and facilities.

The Heritage Parks Program is an economic development and conservation partnerships initiative that enables regions of the Commonwealth to comprehensively plan, enhance, manage and market significant natural, cultural, recreational and scenic resources for heritage tourism.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Management of Recreation Facilities and Areas							
State park attendance in visitor days (in thousands)	36,400	36,500	36,500	36,500	36,500	36,500	36,500
Major maintenance or restoration projects completed	108	85	85	85	85	85	85
Keystone Recreation, Park and Conservation Fund projects completed	126	59	59	59	59	59	59
Management of Forest Resources							
Forest fires	971	1,000	1,000	1,000	1,000	1,000	1,000
Acres of private timber land affected by professional assistance	97,979	95,000	95,000	95,000	95,000	95,000	95,000
Acres receiving insect suppression	0	10,000	10,000	50,000	100,000	100,000	100,000
Recreational and Conservation Programs							
Keystone Recreation, Park and Conservation Fund Grants	264	250	250	250	250	250	250
Heritage Park Grants	48	63	55	55	55	55	55

Major maintenance or restoration projects increase from the projections shown in last year's budget because of additional General Fund monies. Additionally, realty transfer tax revenues were higher than anticipated.

Keystone Recreation, Park and Conservation Fund projects completed increase from the projections shown in last year's budget because projects begun in the 1996-97 fiscal year were not completed until the 1997-98 fiscal year.

Heritage Park grants increase from the projection shown in last year's budget because of an anticipated increase in the amount of realty transfer tax received.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 704 —to continue current program.</p> <p>3,353 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for base stations, and mobile and portable radio equipment for agency participation in the Statewide Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p> <p>600 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology for the management, collection and dissemination of geospatial data. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p> <hr/> <p>\$ 4,657 <i>Appropriation Increase</i></p>	<p>General Government Operations</p> <p>\$ -1,000 —nonrecurring electrification of State parks.</p> <p>2,000 —major maintenance projects.</p> <hr/> <p>\$ 1,298 —to continue current programs.</p> <p>\$ 2,298 <i>Appropriation Increase</i></p> <p>\$ 130 State Parks Operations</p> <p>240 —Wild Plant program.</p> <hr/> <p>\$ 370 —to continue current programs.</p> <p>\$ 370 <i>Appropriation Increase</i></p> <p>\$ 54 State Forests Operations</p> <p>\$ 54 —Wild Plant program.</p> <p>\$ -2,000 —to continue current program.</p> <p>\$ -2,000 Forest Pest Management</p> <p>—to continue current program.</p> <p>Heritage and Other Parks</p> <p>—nonrecurring conservation partnership projects.</p>
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Projects funded by the Keystone Recreation, Park and Conservation Fund will continue until the amount allotted by law is completely committed.

All other appropriations are recommended at the current year funding level.



Includes accomplishment of the PRIME recommendation to enhance access to State parks. The Department of Conservation and Natural Resources instituted a new customer-focused, visitor friendly telephone reservation system for Pennsylvania's 116 State parks. Customer service representatives staff the new toll-free number, 1-888-PA-PARKS, and have access to information about available sites at each park. A customer can now make a reservation for a cabin or campsite anywhere in Pennsylvania's State Parks with one call. Previously visitors would be forced to call each park individually costing them time and money.

Conservation and Natural Resources

Program: Parks and Forests Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 11,145	\$ 12,611	\$ 17,268	\$ 13,581	\$ 13,853	\$ 14,130	\$ 14,413
State Parks Operations	48,201	54,968	57,266	60,411	59,579	60,771	61,986
State Forests Operations	13,737	13,160	13,530	13,801	14,077	14,359	14,646
Forest Pest Management	3,023	2,260	2,314	2,360	2,407	2,455	2,504
Heritage and Other Parks	4,100	4,750	2,750	2,750	2,750	2,750	2,750
Annual Fixed Charges — Flood Lands	37	42	42	42	42	42	42
Annual Fixed Charges — Project 70	29	35	35	35	35	35	35
Annual Fixed Charges — Forest Lands	2,414	2,450	2,450	2,450	2,450	2,450	2,450
Annual Fixed Charges — Park Lands	450	450	450	450	450	450	450
TOTAL GENERAL FUND	\$ 83,136	\$ 90,726	\$ 96,105	\$ 95,880	\$ 95,643	\$ 97,442	\$ 99,276
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Park & Forest Facility Rehabilitation — Bond Proceeds (EA)	\$ 178	\$ 119	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Park & Forest Facility Rehabilitation — Realty Transfer Tax (EA)	13,692	21,064	14,633	13,625	13,965	15,313	16,719
Grants for Local Recreation — Bond Proceeds (EA)	5,627	5,166	0	0	0	0	0
Grants for Local Recreation — Realty Transfer Tax (EA)	8,370	32,382	12,194	11,355	11,637	12,761	13,932
Grants to Land Trusts — Bond Proceeds (EA)	300	322	0	0	0	0	0
Grants to Land Trusts — Realty Transfer Tax (EA)	5,782	10,722	4,878	4,542	4,655	5,104	5,573
Grants to Zoos — Bond Proceeds (EA)	1,100	919	0	0	0	0	0
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND	\$ 35,049	\$ 70,694	\$ 31,705	\$ 29,522	\$ 30,257	\$ 33,178	\$ 36,224
MOTOR LICENSE FUND:							
Dirty and Gravel Road	\$ 2	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000



DEPARTMENT OF CORRECTIONS

The department maintains a State system for the custody and rehabilitation of convicted criminals. Included within this system are residential programs and pre-release programs to provide inmates with supervision, counseling and treatment to enable them to satisfactorily adjust to society.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Protecting Public Safety Through Enforcement, Prevention and Rehabilitation		
	General Government Operations.....	\$ 376
	Medical Care.....	331
	Inmate Education and Training.....	3,041
	State Correctional Institutions.....	<u>7,181</u>
	Subtotal.....	\$ 10,929
<p>This Program Revision provides resources to expand basic and vocational education programs at State Correctional Institutions, to open the new SCI Pine Grove to house young adult offenders and to increase prison capacity. A total of \$24.4 million in State and Federal funds is provided by this Program Revision across three departments.</p>		
	Department Total.....	<u>\$ 10,929</u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
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GENERAL FUND:

Institutional:

General Government Operations.....	\$ 28,094	\$ 27,605^a	\$ 30,373
(F)DCSI - Tracking System.....	27	47	0
(F)DCSI - Victim Notification.....	52	25	0
(F)DCSI - Violent Crime Victims.....	0	87	37
(F)DCSI - Inmate Records.....	62	142	110
(F)DCSI - Video Conferencing.....	141	90	35
(F)DCSI - Data Information Transfer.....	0	300	257
(F)DCSI - Electronic Inmate File System.....	0	225	169
(F)DCSI - Computer Learning Center.....	0	50	0
(F)Federal Inmates.....	25	70	25
(A)County Training.....	151	175	175
(A)Augmentations from State Agencies.....	0	82	132
Subtotal.....	\$ 28,552	\$ 28,898	\$ 31,313
Medical Care.....	122,180	129,956^b	132,150
(A)Medical Co-payment.....	2	380	330
Subtotal.....	\$ 122,182	\$ 130,336	\$ 132,480
Inmate Education and Training.....	23,608^c	27,630^c	30,831
(F)Library Services.....	0	25	25
(F)Youth Offenders Education.....	0	150 ^d	277
(F)Correctional Education.....	1,351 ^e	1,642 ^e	1,642
(F)JTPA - Correctional Education.....	158 ^e	184 ^e	184
(A)JTPA - Matching Funds.....	156	184	184
(A)Reimbursement for services.....	170	0	0
Subtotal.....	\$ 25,443	\$ 29,815	\$ 33,143
State Correctional Institutions.....	802,852	860,259^f	893,794
(F)SABG - Alcohol and Drug Services.....	2,100	0	0
(F)SABG - Drug and Alcohol Programs.....	0	2,100	2,100
(F)DCSI - Women and Children.....	111	0	0
(F)DCSI - Therapeutic Community.....	134	134	18
(F)DCSI - Drug Interdiction.....	33	33	0
(F)DCSI - Ionscan.....	388	224	39
(F)DCSI - Employment Opportunities.....	0	0	698
(F)Reimbursement for Alien Inmates.....	3,745	4,500 ^g	8,850
(F)RSAT - Drug Treatment.....	157	1,244	1,414
(F)Drug Free Prisons.....	0	0	500
(F)Truth in Sentencing.....	11,030	29,609	18,100
(A)Community Service Centers.....	522	580	580
(A)Institutional Reimbursements.....	40	50	52
(A)Radiation Emergency Response.....	0	28	0
(A)Augmentations from State agencies.....	0	160	182
Subtotal.....	\$ 821,112	\$ 898,921	\$ 926,327
Subtotal - State Funds.....	\$ 976,734	\$ 1,045,450	\$ 1,087,148
Subtotal - Federal Funds.....	19,514	40,881	34,480
Subtotal - Augmentations.....	1,041	1,639	1,635
Total - Institutional.....	\$ 997,289	\$ 1,087,970	\$ 1,123,263
STATE FUNDS.....	\$ 976,734	\$ 1,045,450	\$ 1,087,148
FEDERAL FUNDS.....	19,514	40,881	34,480
AUGMENTATIONS.....	1,041	1,639	1,635
GENERAL FUND TOTAL.....	\$ 997,289	\$ 1,087,970	\$ 1,123,263

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
OTHER FUNDS:			
LOCAL CRIMINAL JUSTICE FUND:			
Local Criminal Justice Grants(EA).....	\$ 7,443	\$ 3,500	\$ 2,000
MANUFACTURING FUND:			
General Operations(EA).....	\$ 35,161	\$ 34,431	\$ 37,150
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 976,734	\$ 1,045,450	\$ 1,087,148
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	19,514	40,881	34,480
AUGMENTATIONS.....	1,041	1,639	1,635
OTHER FUNDS.....	42,604	37,931	39,150
TOTAL ALL FUNDS.....	\$ 1,039,893	\$ 1,125,901	\$ 1,162,413

^a Includes \$29,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$81,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^c 1997-98 amount includes \$14,867,000 actually appropriated as Correctional Institutions – Education in the Department of Education and 1998-99 amount includes \$16,469,000 actually appropriated as Correctional Institutions – Education in the Department of Education. In addition, the 1998-99 amount includes \$29,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d Includes recommended supplemental appropriation of \$150,000.

^e Actually appropriated in the Department of Education.

^f Includes \$925,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^g Includes recommended supplemental appropriation of \$750,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
INSTITUTIONALIZATION OF OFFENDERS							
GENERAL FUND.....	\$ 976,734	\$ 1,045,450	\$ 1,087,148	\$ 1,126,637	\$ 1,149,170	\$ 1,172,155	\$ 1,195,598
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	19,514	40,881	34,480	34,480	34,480	34,480	34,480
OTHER FUNDS.....	43,645	39,570	40,785	40,563	40,856	41,164	41,987
SUBCATEGORY TOTAL.....	\$ 1,039,893	\$ 1,125,901	\$ 1,162,413	\$ 1,201,680	\$ 1,224,506	\$ 1,247,799	\$ 1,272,065
ALL PROGRAMS:							
GENERAL FUND.....	\$ 976,734	\$ 1,045,450	\$ 1,087,148	\$ 1,126,637	\$ 1,149,170	\$ 1,172,155	\$ 1,195,598
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	19,514	40,881	34,480	34,480	34,480	34,480	34,480
OTHER FUNDS.....	43,645	39,570	40,785	40,563	40,856	41,164	41,987
DEPARTMENT TOTAL.....	\$ 1,039,893	\$ 1,125,901	\$ 1,162,413	\$ 1,201,680	\$ 1,224,506	\$ 1,247,799	\$ 1,272,065

PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Institutionalization of Offenders

The State administered system for the institutionalization of offenders includes 24 correctional institutions, 15 community corrections centers and a motivational boot camp. There were 36,377 inmates housed in the State system at the end of December 1998 with a cell capacity of 24,247.

During 1998, institutional capacity increases occurred with:

- The opening of two new cell blocks each at SCIs Albion, Houtzdale and Mahanoy for a total capacity increase of 768.
- The opening of 127 additional beds at SCI Waymart.
- The opening of the new prison in the city of Chester.

The following institutional changes are planned for the first six months of 1999:

- Further opening of the prison at Chester.
- The opening of two new cell blocks each at SCI Greene and Somerset with a total capacity of 512.
- A new 148 bed housing unit at SCI Dallas.
- Expansion of the restricted housing unit at SCI Frackville by 9 cells.

The State's prison expansion program is continuing in 1999-00 with:

- The opening of a new restricted housing unit at SCI Muncy with 72 beds.
- A new 166 bed housing unit at SCI Cambridge Springs.
- Renovations at the Quehanna Boot Camp that will provide 120 additional beds.
- The opening of a new 500 bed institution in Indiana County.

In addition to providing the basic necessities of life, programs are available which enable inmates to leave prison better prepared to adjust to life in the community. These include educational services, vocational training, drug and alcohol therapy and counseling.

Educational programs offer inmates the opportunity to obtain high school diplomas or adult basic educational skills.

Vocational training is dedicated to the development of marketable job skills so that inmates are more employable upon their release. A variety of programs are offered which may lead to employment as plumbers, electricians, auto mechanics, sheet metalworkers, barbers or cosmeticians.

Counseling services are designed to modify social behavior to a more acceptable level. Mental health and sex offender units have been opened at many institutions. Alcohol and drug rehabilitation is also available.

Community correction 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.

The Department of Corrections is expanding its efforts to have inmates perform meaningful work. Community work crews have been established at most institutions. Efforts are also underway to expand Correctional Industries and to increase the use of inmates in performing institutional maintenance.



Program: Institutionalization of Offenders (continued)

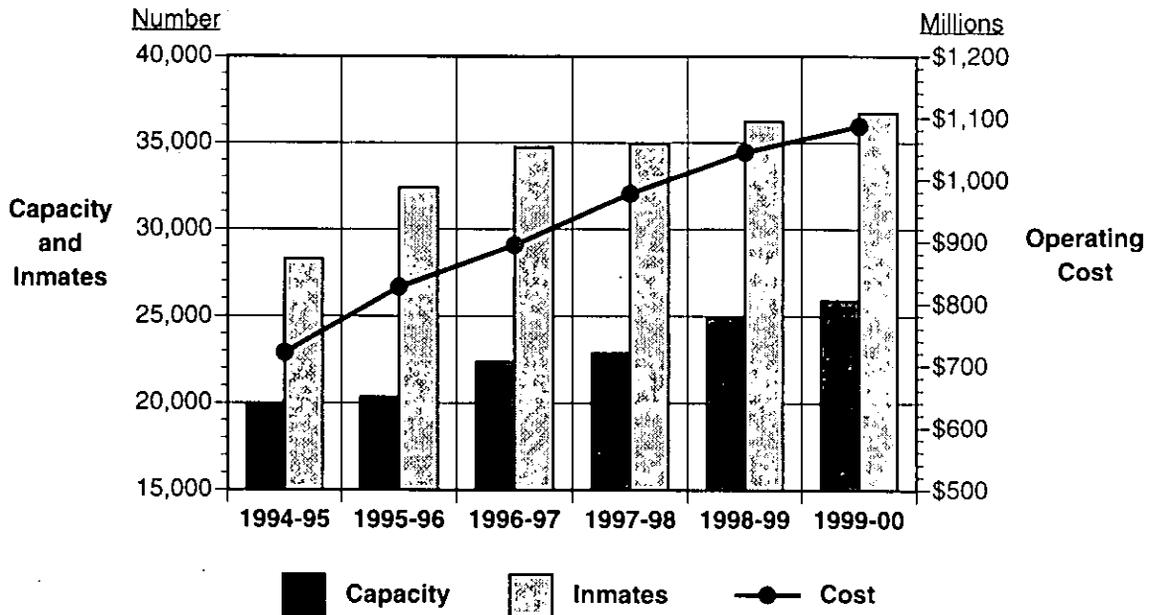
Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Inmates (December)	34,964	36,377	36,709	36,806	36,826	36,922	37,062
Prison Capacity (December)	22,875	24,247	25,842	27,188	27,188	27,188	27,188
Inmates in excess of capacity	12,089	12,130	11,088	9,918	9,938	10,034	10,174
Inmates receiving high school diplomas (GED)	1,253	1,303	1,325	1,330	1,331	1,334	1,338
Inmates involved in work programs	24,287	25,169	25,500	25,700	25,800	25,900	26,000
Inmates receiving educational training	8,884	9,569	9,694	9,720	9,725	9,751	9,788
Inmates receiving drug and alcohol treatment	14,140	15,699	16,335	16,378	16,387	16,429	16,492

Inmates in excess of capacity is higher than estimated in last year's budget due to a revised estimate of inmate population and because cellblocks are being brought on line slightly later than projected.

Inmates receiving high school diplomas or GED's is revised downward from last year's budget due to a lower number of inmates meeting graduation requirements.

Inmates receiving drug and alcohol treatment is higher than estimated in last year's budget due to drug and alcohol programs being added to new institutions. This provides an opportunity for additional inmates to participate in treatment programs.

State Correctional Institutions Cell Capacity, Inmate Population and Operating Costs

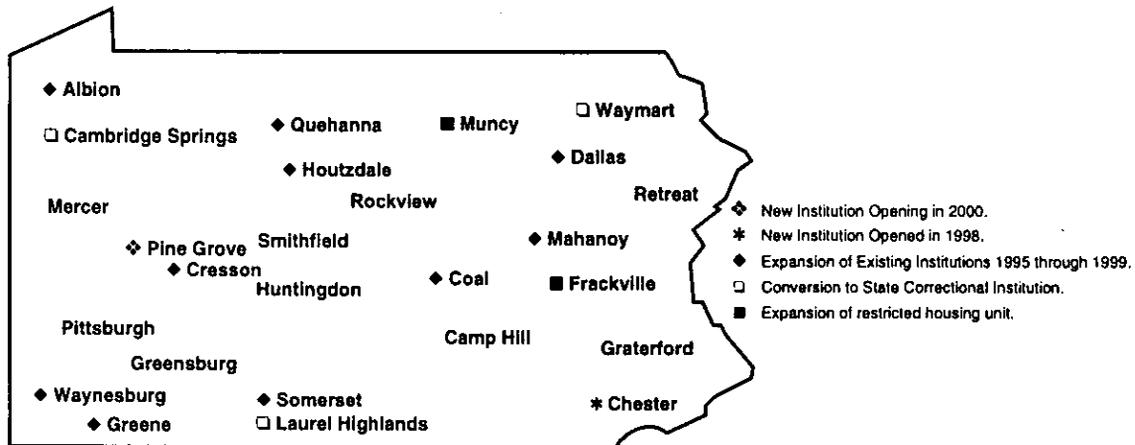


The cost of operating the State correctional institution system has increased from \$721 million in 1994-95 to an estimated \$1.1 billion in 1999-2000. During this timeframe, the inmate population increased from 28,302 to a projected 36,709 and the institutional capacity increased from 19,995 cells to an estimated 25,842 cells.



Program: Institutionalization of Offenders (continued)

State Correctional Institutions Locations and Expansions



Institutions	Population and Capacity		Estimated	
	Population Dec 1998	Population Dec 1999	Capacity Dec 1998	Capacity Dec 1999
Albion.....	1,956	1,950	1,220	1,220
Cambridge Springs.....	567	545	587	753
Camp Hill.....	3,346	3,275	2,059	2,059
Chester.....	672	910	400	784
Coal Township.....	1,758	1,790	964	964
Cresson.....	1,295	1,260	936	888
Dallas.....	1,852	1,890	1,087	1,235
Frackville.....	990	995	696	705
Graterford.....	3,504	3,280	2,482	2,482
Greene.....	1,511	1,580	1,076	1,332
Greensburg.....	956	776	566	566
Houtzdale.....	1,633	1,755	1,220	1,220
Huntingdon.....	1,745	1,865	1,270	1,376
Laurel Highlands.....	406	365	309	509
Mahanoy.....	1,976	1,950	1,220	1,220
Mercer.....	1,117	1,050	579	579
Muncy.....	875	860	596	632
Pittsburgh.....	1,785	1,800	1,528	1,528
Quehanna.....	169	230	158	240
Retreat.....	859	860	458	458
Rockview.....	2,120	2,110	1,054	1,054
Smithfield.....	1,167	1,195	652	652
Somerset.....	1,791	1,950	964	1,220
Waymart.....	1,155	1,275	1,179	1,179
Waynesburg.....	484	486	483	483
Community Corrections Centers.....	363	366	504	504
Group Homes.....	285	290	0	0
Other jurisdictions.....	40	51	0	0
Total.....	36,377	36,709	24,247	25,842



Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget		1997-98 Actual	1998-99 Available	1999-00 Budget
Albion				Graterford			
State Funds.....	\$ 47,050	\$ 49,092	\$ 50,746	State Funds.....	\$ 86,511	\$ 90,310	\$ 92,155
Federal Funds.....	19	686	739	Federal Funds.....	178	10,629	274
Augmentations.....	0	18	18	Augmentations.....	0	30	30
TOTAL.....	\$ 47,069	\$ 49,796	\$ 51,503	TOTAL.....	\$ 86,689	\$ 100,969	\$ 92,459
Cambridge Springs				Greene			
State Funds.....	\$ 16,443	\$ 17,809	\$ 19,579	State Funds.....	\$ 51,319	\$ 53,237	\$ 55,112
Federal Funds.....	213	469	567	Federal Funds.....	37	115	45
Augmentations.....	26	31	31	Augmentations.....	0	14	14
TOTAL.....	\$ 16,682	\$ 18,309	\$ 20,177	TOTAL.....	\$ 51,356	\$ 53,366	\$ 55,171
Camp Hill				Greensburg			
State Funds.....	\$ 65,796	\$ 69,492	\$ 71,551	State Funds.....	\$ 25,242	\$ 26,087	\$ 26,497
Federal Funds.....	280	326	437	Federal Funds.....	164	192	9,308
Augmentations.....	48	80	81	Augmentations.....	27	34	34
TOTAL.....	\$ 66,124	\$ 69,898	\$ 72,069	TOTAL.....	\$ 25,433	\$ 26,313	\$ 35,839
Chester				Houtzdale			
State Funds.....	\$ 10,948	\$ 21,739	\$ 24,364	State Funds.....	\$ 34,098	\$ 37,861	\$ 39,105
Federal Funds.....	18	21	24	Federal Funds.....	108	124	131
Augmentations.....	0	8	8	Augmentations.....	0	16	16
TOTAL.....	\$ 10,966	\$ 21,768	\$ 24,396	TOTAL.....	\$ 34,206	\$ 38,001	\$ 39,252
Coal Township				Huntingdon			
State Funds.....	\$ 44,546	\$ 46,350	\$ 47,740	State Funds.....	\$ 41,467	\$ 44,503	\$ 45,559
Federal Funds.....	59	69	98	Federal Funds.....	263	398	570
Augmentations.....	0	16	16	Augmentations.....	0	17	17
TOTAL.....	\$ 44,605	\$ 46,435	\$ 47,854	TOTAL.....	\$ 41,730	\$ 44,918	\$ 46,146
Cresson				Laurel Highlands			
State Funds.....	\$ 30,321	\$ 31,329	\$ 32,158	State Funds.....	\$ 21,626	\$ 23,617	\$ 24,260
Federal Funds.....	37	43	9,109	Federal Funds.....	53	63	111
Augmentations.....	0	12	12	Augmentations.....	0	3	3
TOTAL.....	\$ 30,358	\$ 31,384	\$ 41,279	TOTAL.....	\$ 21,679	\$ 23,683	\$ 24,374
Dallas				Mahanoy			
State Funds.....	\$ 42,430	\$ 44,759	\$ 46,006	State Funds.....	\$ 42,501	\$ 46,736	\$ 48,147
Federal Funds.....	328	362	344	Federal Funds.....	22	25	28
Augmentations.....	26	43	43	Augmentations.....	0	18	18
TOTAL.....	\$ 42,784	\$ 45,164	\$ 46,393	TOTAL.....	\$ 42,523	\$ 46,779	\$ 48,193
Frackville				Mercer			
State Funds.....	\$ 25,380	\$ 27,414	\$ 28,428	State Funds.....	\$ 25,121	\$ 26,048	\$ 26,663
Federal Funds.....	19	22	23	Federal Funds.....	115	7,396	200
Augmentations.....	0	9	9	Augmentations.....	0	10	10
TOTAL.....	\$ 25,399	\$ 27,445	\$ 28,460	TOTAL.....	\$ 25,236	\$ 33,454	\$ 26,873

Program: Institutionalization of Offenders (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget		1997-98 Actual	1998-99 Available	1999-00 Budget
Muncy				Somerset			
State Funds.....	\$ 30,030	\$ 31,994	\$ 33,010	State Funds.....	\$ 47,321	\$ 49,124	\$ 50,284
Federal Funds.....	301	221	296	Federal Funds.....	13	15	16
Augmentations.....	17	25	25	Augmentations.....	0	18	18
TOTAL.....	\$ 30,348	\$ 32,240	\$ 33,331	TOTAL.....	\$ 47,334	\$ 49,157	\$ 50,318
Pine Grove				Waymart			
State Funds.....	\$ 0	\$ 0	\$ 4,705	State Funds.....	\$ 46,033	\$ 48,893	\$ 50,009
Federal Funds.....	0	0	277	Federal Funds.....	142	164	184
Augmentations.....	0	0	0	Augmentations.....	0	12	12
TOTAL.....	\$ 0	\$ 0	\$ 4,982	TOTAL.....	\$ 46,175	\$ 49,069	\$ 50,205
Pittsburgh				Waynesburg			
State Funds.....	\$ 58,495	\$ 57,271	\$ 58,903	State Funds.....	\$ 12,638	\$ 13,852	\$ 14,302
Federal Funds.....	44	51	93	Federal Funds.....	68	80	127
Augmentations.....	142	16	16	Augmentations.....	0	4	4
TOTAL.....	\$ 58,681	\$ 57,338	\$ 59,012	TOTAL.....	\$ 12,706	\$ 13,936	\$ 14,433
Quehanna Boot Camp				Community Corrections Centers			
State Funds.....	\$ 6,211	\$ 7,060	\$ 9,048	State Funds.....	\$ 37,844	\$ 43,874	\$ 46,880
Federal Funds.....	0	0	0	Federal Funds.....	0	80	100
Augmentations.....	0	2	2	Augmentations.....	522	641	761
TOTAL.....	\$ 6,211	\$ 7,062	\$ 9,050	TOTAL.....	\$ 38,366	\$ 44,595	\$ 47,741
Retreat				Training Academy			
State Funds.....	\$ 23,661	\$ 24,758	\$ 25,452	State Funds.....	\$ 4,336	\$ 4,850	\$ 5,874
Federal Funds.....	34	41	68	Federal Funds.....	0	50	0
Augmentations.....	0	8	8	Augmentations.....	151	175	175
TOTAL.....	\$ 23,695	\$ 24,807	\$ 25,528	TOTAL.....	\$ 4,487	\$ 5,075	\$ 6,049
Rockview				Central Office			
State Funds.....	\$ 42,637	\$ 47,323	\$ 48,695	State Funds.....	\$ 30,118	\$ 30,026	\$ 31,216
Federal Funds.....	11,193	11,855	265	Federal Funds.....	5,728	7,291	10,877
Augmentations.....	60	81	82	Augmentations.....	22	287	161
TOTAL.....	\$ 53,890	\$ 59,259	\$ 49,042	TOTAL.....	\$ 35,868	\$ 37,604	\$ 42,254
Smithfield				Other jurisdictions			
State Funds.....	\$ 26,293	\$ 29,012	\$ 29,703	State Funds.....	\$ 318	\$ 1,030	\$ 997
Federal Funds.....	78	93	169	Federal Funds.....	0	0	0
Augmentations.....	0	11	11	Augmentations.....	0	0	0
TOTAL.....	\$ 26,371	\$ 29,116	\$ 29,883	TOTAL.....	\$ 318	\$ 1,030	\$ 997



Program: Institutionalization of Offenders (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 376 —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides resources to open SCI Pine Grove as a dedicated institution for young offenders. See the Program Revision following this program for additional information.</p> <p>1,350 —for conversion of inmate health care records to an information technology based system.</p> <p>2,945 —to provide for the department's information technology needs including additional network resources, video conferencing and expansion of computerization in the community corrections centers.</p> <p>-2,586 —nonrecurring cost of 1998-99 equipment purchases.</p> <p>683 —to continue current program.</p> <hr/> <p>\$ 2,768 <i>Appropriation Increase</i></p> <p>Medical Care</p> <p>\$ 331 —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides resources to open SCI Pine Grove as a dedicated institution for young offenders and expand support for increased prison capacity. See the Program Revision following this program for additional information.</p> <p>1,863 —to continue current program.</p> <hr/> <p>\$ 2,194 <i>Appropriation Increase</i></p>	<p>Inmate Education and Training</p> <p>\$ 3,041 —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides resources for traditional and vocational education programming at SCI Pine Grove and expanded support for vocational education programming at various state correctional institutions. See the Program Revision following this program for additional information.</p> <p>150 —to provide for the full year cost of the fatherhood program initiated during 1998-99.</p> <p>381 —to continue current program.</p> <p>-371 —nonrecurring operational costs.</p> <hr/> <p>\$ 3,201 <i>Appropriation Increase</i></p> <p>State Correctional Institutions</p> <p>\$ 7,181 —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision provides resources to open SCI Pine Grove as a dedicated institution for young offenders, and to provide resources for increased prison capacity at other institutions. See the Program Revision following this program for additional information.</p> <p>1,918 —for equipment purchases including video security systems, security fencing and general replacement items.</p> <p>354 —to provide additional staff in correctional institutions to reduce overtime expenditures.</p> <p>9,372 —to provide for the full year cost of housing units opened in 1998-99 including the cost of hiring personnel to provide security for the new housing units.</p> <p>14,710 —to continue current program.</p> <hr/> <p>\$ 33,535 <i>Appropriation Increase</i></p>
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Includes PRIME recommendation to use telemedicine to reduce the need for offsite medical consultations in the Department of Corrections. This innovative use of technology will greatly improve security and reduce costs. It is estimated that the savings from this initiative will be over \$500,000 annually.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 28,094	\$ 27,605	\$ 30,373	\$ 31,650	\$ 32,283	\$ 32,929	\$ 33,588
Medical Care	122,180	129,956	132,150	135,798	138,514	141,284	144,110
Inmate Education and Training	23,608	27,630	30,831	32,922	33,581	34,253	34,937
State Correctional Institutions	802,852	860,259	893,794	926,267	944,792	963,689	982,963
GENERAL FUND TOTAL	\$ 976,734	\$ 1,045,450	\$ 1,087,148	\$ 1,126,637	\$ 1,149,170	\$ 1,172,155	\$ 1,195,598

Program Revision: Protecting Public Safety Through Enforcement, Prevention and Rehabilitation

The Commonwealth has initiated unprecedented efforts to battle crime and restore safety and security to Pennsylvania's communities. Since 1995, over 40 additional laws and three constitutional amendments have been adopted in order to strengthen and enhance Pennsylvania's criminal and juvenile justice systems. These changes have resulted in tougher sanctions against criminal offenders and a greater deterrence to crime. Similarly, the Sentencing Guidelines have been revised to ensure that repeat, violent criminals are subject to longer terms of incarceration. These enforcement steps have and continue to protect public safety as evidenced by the steady annual decline in crime rates and in particular, violent crime rates, which dropped nearly 8 percent since 1994 to the lowest levels in nearly a decade.

Pennsylvania's juvenile justice system was completely overhauled in 1995 and has resulted in tougher sanctions for violent juvenile crime while providing increased juvenile crime prevention and probation options. Pennsylvania is now recognized as a leader in juvenile crime prevention, assurance of victim rights, holding juvenile offenders accountable, protecting the rights of the community and juvenile offenders and restoring offenders as responsible citizens of the Commonwealth. Changes to the juvenile justice system continue to aid in the reduction of violent juvenile crime rates which have decreased 15% since 1994.

Pennsylvania has gained momentum in the battle against crime and this Program Revision seeks to enhance and continue that effort. This Program Revision provides funding for expanded rights and services for victims of crime, expanded delinquency and violence prevention programs, additional drug and alcohol services, enhanced probation and parole options, increased rehabilitation efforts through basic and vocational education programming and also increased prison capacity.

Victims Rights and Crime Prevention

State law currently provides victims of crimes committed by offenders processed through the adult criminal justice system with a basic bill of rights which includes the guaranteed right to receive information, to be notified of significant court actions and to be heard by the court. While the existing bill of rights does apply to victims of the most serious and violent juvenile offenders, those transferred to adult court, it does not apply to the majority of victims of juvenile crime. This Program Revision proposes \$3.8 million for the Pennsylvania Commission on Crime and Delinquency to provide victims of offenders processed through the juvenile court system with a set of guaranteed rights such as those currently provided to victims of offenders processed through the adult court system.

In addition to protecting and expanding victims rights, this Program Revision recommends \$250,000 to improve an automated information system that is directed at helping crime victims and their families by easing the financial burden that violent crime imposes on them. Automation enhancements will enable the processing of victims claims in a more efficient and effective manner and will lessen the paperwork burden on victims.

Efforts to protect public safety and prevent crime are often most effective at the local level where they are focused on communities and individuals. This Program Revision provides an additional \$2 million to expand current community efforts that address risk factors leading to youth violence. Recommended funding will expand support for the Communities that Care Program which provides training to community leaders so that they may be better able to identify and assess risk factors that may lead to adolescent behavioral problems. In addition, this proposal continues Pennsylvania's commitment to the Weed and Seed Program which is a partnership with local citizens in a targeted community aimed at eliminating drug-related crime and improving the community's social and economic vitality.

Additional Drug and Alcohol Treatment Services

As communities develop and implement crime prevention efforts and identify potential risk factors, concentration must continue to be focused on the devastating effects of drug and alcohol abuse and addiction. Drug and alcohol abuse continues to be one of the leading causes of criminal activity leading to incarceration and recidivism; and its influence continues to impact offenders throughout and after incarceration. The Commonwealth has expanded efforts to prevent the introduction of drugs into State Correctional Institutions (SCI) as well as to increase drug and alcohol treatment services to dependent offenders as a means of reducing and preventing future criminal activity. Drug and alcohol treatment services are provided throughout the criminal justice continuum.

New programs such as the Residential Substance Abuse Treatment Program (RSAT) have been developed and implemented to provide drug and alcohol treatment to offenders who have been paroled or released and who have re-offended. This Program Revision provides an additional \$135,000 in State funds and \$404,000 in Federal funds to expand the RSAT program. This program will target an additional 195 high-risk Technical Parole Violators who are experiencing substance abuse problems. Offenders will serve six months in a State Correctional Institution followed by six months in a Community Corrections Center and finally six months in Intensive Parole Supervision. This alternative sentence will be combined with substance abuse



Program Revision: Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (continued)

treatment and employment and enhanced life skills training to promote the gradual and controlled re-entry of offenders into the community.

Commonwealth criminal justice agencies are undertaking additional efforts at reducing substance abuse problems as an effective means to prevent and reduce repeat criminal activity. This Program Revision expands the Commonwealth's commitment to developing and operating alternatives to incarceration, commonly referred to as "Intermediate Punishment" programs. In addition to the basic aid for operating intermediate punishment programs, an additional \$1 million is recommended. With the additional funding, over \$16 million will be provided for intermediate punishment programs, including restrictive intermediate punishment, which provides alternatives to incarceration and reduces State prison and county jail populations.

Enhanced Probation and Parole Efforts

The gradual and controlled re-introduction of offenders into society places critical responsibilities upon the Commonwealth to ensure the maintenance of public safety in our communities. Pennsylvania retains direct supervision responsibilities for State offenders who are either on probation or paroled from an institution. As a result, this Program Revision recognizes the need to continuously update security measures and procedures to ensure and protect public safety through the proper supervision of offenders on probation or parole. As State-level offenders are sanctioned to either probation or parole, the Board of Probation and Parole reviews offender case histories, to assess potential risks to public safety and determine appropriate level of offender supervision. An additional \$351,000 is provided to continue to automate systems and update data utilized in supervision determinations. Further, this Program Revision provides a total of \$565,000 for additional automation efforts to enhance the board's ability to aggressively monitor and track interstate parolees and to provide continued efficiency improvements to the board's Revocation Arrest Process, whereby law enforcement officials are provided up-to-the-minute information regarding possible probation or parole violations.

Effective juvenile probation supervision is critical in the effort to help juvenile offenders become responsible and productive members of society and to ensure safety in our communities. Last year a new program was established to provide specialized probation services for juvenile offenders, including school-based probation, intensive probation and aftercare services. This Program Revision provides \$5 million to expand these services which have proven to be successful in protecting communities, increasing offender accountability and rehabilitating youths.

Basic and Vocational Education Programming

Whereas dependence upon drugs and alcohol is a major contributing factor to criminal activity, the lack of marketable

job skills also contributes to factors that may lead to criminal activity. In addition to substance abuse treatment, the Commonwealth provides significant basic and vocational education programs for offenders who attempt to rehabilitate themselves through education and work during their incarceration. In an effort to ensure that an appropriate level of priority is placed on educational programming and to coordinate education programs with other means of treatment and rehabilitation, this Program Revision recommends the transfer of the Bureau of Corrections Education from the Department of Education to the Department of Corrections.

Basic education programs are provided to all young adult offenders as well as those that are interested in achieving a General Equivalency Degree. Statistics have shown that over 65% of the offenders entering SCI's function at or below a seventh grade competency level in reading and mathematics and 70% of offenders function at or below an unskilled level and have no prior work history. Vocational education programs are also offered as a mechanism to develop important job skills, work habits and to reduce potential security problems. This Program Revision provides \$2.9 million to expand basic and vocational education options at various State Correctional Institutions. Expanded programs will enable offenders to develop basic, functional-level academic skills, acquire jobs skills, a positive work habit and assist in training offenders to potentially become entry level workers and wage earners upon release or parole.

Increased Prison Capacity

While State and national statistics indicate that crime rates are declining and a sense of security is returning to Pennsylvania's communities, the inmate population in State Correction Institutions has remained at increased levels and continues to grow marginally. This Program Revision provides approximately \$8 million for the continued expansion of capacity at various SCI's. In particular, \$4.7 million is recommended to open a new State Correctional Institution (SCI Pine Grove) in Indiana County. The new SCI Pine Grove will provide dedicated housing for incarcerated young adult offenders. Act 33 of 1995 was passed in an attempt to hold young adult offenders to a higher level of accountability, comparable to adult offenders, for the most severe violent crimes. SCI Pine Grove is scheduled to open in April, 2000 and will provide 500 additional beds to house an expanding young adult offender population.

While young adult offenders convicted in adult court will be housed at SCI Pine Grove, the Quehanna Motivational Boot Camp provides an alternative form of incarceration directed at younger offenders, with a limited prior criminal history. The goal of the Quehanna Boot Camp is to reduce or eliminate risk factors that could likely lead to a re-offense and re-incarceration. This Program Revision provides \$1.9



Program Revision: Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (continued)

million to expand the capacity at Quehanna. Recommended funding will increase capacity by 120 beds and is scheduled to be open by April, 2000. Additional capacity expansions

will also occur at SCI Muncy and Cambridge Springs. Full year funding for all capacity expansions included in this Program Revision exceeds \$24.6 million annually.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Victims of juvenile crime receiving victim services							
Current	0	0	0	0	0	0	0
Program Revision	0	0	34,292	34,292	34,292	34,292	34,292
Crime victim claimants receiving awards							
Current	2,335	2,335	2,335	2,335	2,335	2,335	2,335
Program Revision	0	0	5,000	5,000	5,000	5,000	5,000
Delinquency and Violence Prevention Communities receiving support							
Current	0	0	17	17	17	17	17
Program Revision	0	0	34	34	34	34	34
Offenders in Residential Substance Abuse Treatment							
Current	0	0	195	195	195	195	195
Program Revision	0	0	390	390	390	390	390
Juvenile probation officers providing specialized probation services							
Current	175	332	332	332	332	332	332
Program Revision	0	0	457	457	457	457	457
Juvenile offenders receiving specialized probation services							
Current	3,500	6,340	6,640	6,640	6,640	6,640	6,640
Program Revision	0	0	8,515	9,140	9,140	9,140	9,140
Additional young adult offenders enrolled in educational programs							
Program Revision	0	0	300	350	400	450	500
Inmates enrolled in vocational programs							
Current	2,531	2,531	2,531	2,531	2,531	2,531	2,531
Program Revision	0	0	2,681	2,861	3,161	3,461	3,461
Increased capacity for young adult offenders							
Current	0	0	175	175	175	175	175
Program Revision	0	0	500	500	500	500	500
Increased capacity at State Correctional Institutions							
Program Revision	0	0	858	858	858	858	858



DEPARTMENT OF EDUCATION

The Department of Education promotes and encourages desirable educational change based upon research and development so that all Pennsylvanians may benefit from a quality educational program which gives the greatest promise of developing each individual to his or her fullest potential as a contributing member of society.

The department conducts programs to assist the local school districts in improving educational and administrative techniques, curricula and guidance services, and provides consultant and data collection services on higher education. The bulk of the department's budget consists of subsidies for basic and higher education.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 400
	Technology Initiative.....	20,000
	Technology for Nonpublic Schools.....	4,000
	Higher Education Technology Grants.....	<u>10,000</u>
	Subtotal.....	\$ 34,400

This Program Revision extends for one year funding for local education consortiums to implement community-wide networks, higher education technology grants for innovative approaches to community-based networking and information sciences and technology curriculum development, and resources to enable nonpublic schools to participate in the educational benefits afforded by information technology. Resources are also provided to convert the teacher certification process to a client-server system to improve management and customer service. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds (in thousands)
Improving Our Schools		
	General Government Operations.....	\$ 166
	PA Assessment	1,150
	Basic Education Funding.....	107,106
	Performance Incentives.....	16,769
	Educational Opportunity Program.....	63,600
	Teacher Professional Development.....	2,840
	Read to Succeed.....	35,000
	Special Education.....	33,881
	Safe Schools.....	1,000
	Alternative Schools.....	500
	Administrative/Instructional Consolidation.....	<u>500</u>
	Subtotal.....	\$ 262,512

This Program Revision increases support for basic education; expands the performance incentive program; refines and expands our current academic assessment system; expands teacher professional development opportunities; increases special education funding; expands programs to assist school districts to be more proactive in preventing and reducing school violence and in educating disruptive students; and continues to support local education agency efforts to become more efficient. In addition, this Program Revision recommends two new basic education initiatives: providing educational opportunity grants to parents to increase the education options for their children; and establishing an intensive reading program for students in the K-3 grades who need assistance to meet reading proficiency standards.

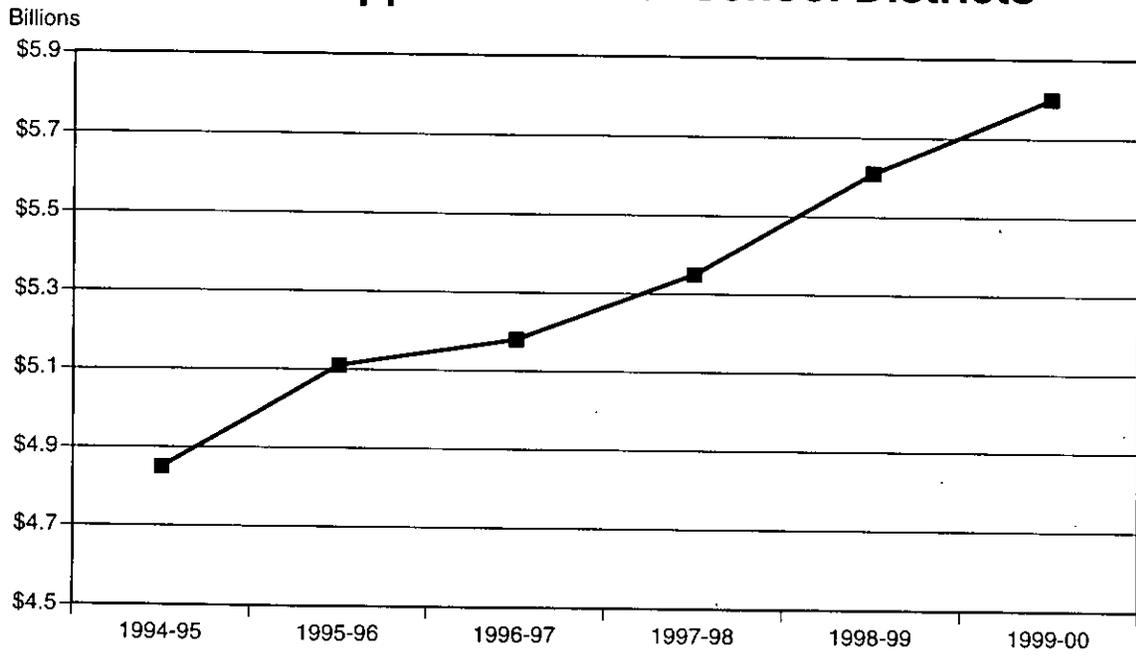
Investing in Pennsylvania's Public Libraries

Improvement of Library Services.....	\$ 17,000
Library Services for the Visually Impaired and Disabled.....	<u>366</u>
Subtotal.....	\$ 17,366

This Program Revision restructures public library funding to enhance operating budgets of local libraries and to create a stronger incentive for local governments to invest in their public libraries. In addition, this Program Revision provides funding to maintain Pennsylvania's share of library costs for the visually impaired and disabled program and to upgrade the circulation systems.

Department Total.....	<u><u>\$ 314,278</u></u>
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State Support for Local School Districts



Commonwealth appropriations in direct support of local school districts have increased since 1994-95 by nearly \$1 billion.



Commonwealth Appropriations in Direct Support of Local School Districts*

(Dollar amounts in thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget
Basic Education Funding.....	\$ 3,449,457	\$ 3,570,188	\$ 3,677,294
Special Education.....	631,707	677,611	711,492
Pupil Transportation.....	347,192	367,444	381,129
School Employees' Social Security.....	328,100	343,800	350,328
Authority Rentals and Sinking Fund Requirements.....	239,906	253,766	253,766
Early Intervention.....	76,648	81,455	84,719
Special Education - Approved Private Schools.....	56,375	58,066	59,808
Nonpublic Pupil Transportation.....	38,272	54,926	54,379
Vocational Education.....	44,626	49,888	51,523
Tuition for Orphans and Children Placed in Private Homes.....	35,045	38,375	40,079
Read to Succeed.....	0	0	35,000
PA Charter Schools for the Deaf and Blind.....	20,573	22,861	23,547
Technology Initiative.....	36,333	36,333	20,000
Performance Incentives.....	10,415	13,415	16,769
School Food Services.....	16,961	16,723	16,723
Intermediate Units.....	5,500	5,693	5,835
Alternative Schools.....	4,691	5,200	5,700
Safe Schools.....	500	1,000	2,000
Teen Pregnancy and Parenthood.....	1,295	1,500	1,500
Administrative/Instructional Consolidation.....	0	1,000	1,500
Education Mentoring.....	1,073	1,200	1,200
Education of Migrant Laborers' Children.....	278	248	727
Homebound Instruction.....	574	686	643
School-to-Work Opportunities.....	482	500	500
Comprehensive Reading.....	300	300	300
Payments in Lieu of Taxes.....	172	182	182
Education of Indigent Children.....	103	110	113
Instructional Support Teams.....	5,336	0	0
School District Demonstration Projects.....	800	4,100	0
TOTAL.....	\$ 5,352,714	\$ 5,606,570	\$ 5,796,756

* Includes appropriations which are distributed to school districts, intermediate units, area vocational-technical schools and special schools. These appropriations are included in the more expansive Basic Education Subcategory which is contained within this department presentation.

In addition to the above funding, decreases in the employer contribution rate for school employees' retirement will save local education agencies approximately \$55 million in 1999-00. Over the four-year period 1996-97 through 1999-00 the cumulative savings to local education agencies will be approximately \$580 million.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 18,070	\$ 20,017^a	\$ 21,053
(F)Adult Basic Education - Administration.....	1,213	1,450	1,500
(F)Education of Exceptional Children.....	4,601	6,600	6,600
(F)ESEA-Title I - Administration.....	3,003	5,728	5,000
(F)State Approving Agency (VA).....	698	906	864
(F)Food and Nutrition Service.....	3,396	3,579	3,829
(F)Migrant Education - Administration.....	420	817	819
(F)Emergency Immigrant Education.....	5	10	15
(F)Vocational Education - Administration.....	2,744	3,910	3,910
(F)Professional Development-Title II - Administration/State.....	637	2,450	2,977
(F)Byrd Scholarships.....	1,224	1,656	1,656
(F)JTPA - Linkage.....	487	723	691
(F)ESEA-Title VI - Administration/State.....	1,839	3,213	3,213
(F)Homeless Assistance.....	1,242	1,605	1,411
(F)Preschool Grant.....	510	885	890
(F)DFSC - Administration.....	875	1,591	1,591
(F)State Literacy Resource Centers.....	101	125	125
(F)School Health Education Programs.....	162	455	455
(F)School-to-Work Opportunities.....	11,798	8,600 ^b	5,000
(F)Appalachian Regional Education Program.....	0	300	0
(F)Learn and Serve America - School Based.....	906	938	1,010
(F)Educate America Act - Administration/State.....	1,345	3,882	3,946
(F)Environmental Education Workshops.....	0	25	10
(F)Bilingual Education.....	46	120	125
(F)Charter Schools Initiatives.....	2,285	4,670	6,400
(F)Technology Literacy Challenge - Administration.....	249	2,116	2,073
(F)Personalized Transition Project.....	0	140	0
(F)America Reads Challenge-Administration.....	0	583	900
(F)Comprehensive School Reform-Administration.....	0	325	400
(F)Advanced Placement Testing.....	0	250	300
(F)State and Community Highway Safety.....	831	940	1,100
(F)Medical Assistance - Nurses' Aide Program.....	212	252	265
(F)Enhanced High School Driver Education.....	2	45	30
(F)Delaware Estuary Education Program.....	22	0	0
(F)Innovations in Education.....	171	0	0
(A)EDP Services.....	67	64	34
(A)Environmental Education.....	327	335	335
(A)Approved Private Schools.....	142	147	160
(A)National Center for Educational Statistics.....	15	85	10
(A)Reimbursement from Department of Banking.....	15	15	15
(A)Early Intervention.....	624	625	625
(A)Teenage Parenting.....	2,579	3,085	3,085
(A)Nurses' Aid Training.....	212	242	265
(A)EPSDT Administration * 1% - 4.9% / 60.9% (SD)	1,244	918	800
(A)Christa McAuliffe Fellowship Program.....	40	40	40
(A)Integrated Network Services.....	23	0	0
(A)Mailing Services.....	4	3	2
Subtotal.....	\$ 64,386	\$ 84,465	\$ 83,529
Charter School Appeal Board.....	0	0	624
Subtotal.....	\$ 0	\$ 0	\$ 624
Information Technology Improvement.....	0	1,599	1,238
Subtotal.....	\$ 0	\$ 1,599	\$ 1,238
PA Assessment.....	5,161	9,078	10,228
(F)PA Assessment Through Themes.....	589	173	6

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Subtotal.....	\$ 5,750	\$ 9,251	\$ 10,234
State Library.....	3,751	3,910^c	3,991
(F)LSTA - Library Development.....	1,203	1,996	1,420
(F)Nuclear Regulatory Commission Documents Support.....	9	15	15
(A)Penalties and Reimbursements.....	10	13	13
(A)Photocopy Service.....	21	23	24
(A)Keystone Fund.....	63	63	64
Subtotal.....	\$ 5,057	\$ 6,020	\$ 5,527
Subtotal - State Funds.....	\$ 26,982	\$ 34,604	\$ 37,134
Subtotal - Federal Funds.....	42,825	61,073	58,546
Subtotal - Augmentations.....	5,386	5,658	5,472
Total - General Government.....	\$ 75,193	\$ 101,335	\$ 101,152
Institutional:			
Youth Development Centers - Education.....	\$ 10,898	\$ 11,753	\$ 11,982
Subtotal.....	\$ 10,898	\$ 11,753	\$ 11,982
Scranton State School for the Deaf.....	4,822	5,005^d	5,142
(F)Individuals with Disabilities Education - Scranton.....	64	85	85
(F)School Milk Lunch.....	45	50	50
(F)Life Long Learning.....	0	11	11
(F)Adult Basic Education.....	0	10	10
(A)Cafeteria and Other Fees.....	109	110	80
(A)Tuition Recovery.....	834	903	942
Subtotal.....	\$ 5,874	\$ 6,174	\$ 6,320
Thaddeus Stevens College of Technology.....	5,782	6,356^e	6,674
(F)Vocational Education.....	75	150	150
(A)Tuition and Fees.....	1,106	1,099	1,106
(A)Higher Education for the Disadvantaged.....	99	99	99
(A)Federal Pell Grant Aid.....	160	160	160
Subtotal.....	\$ 7,222	\$ 7,864	\$ 8,189
Subtotal - State Funds.....	\$ 21,502	\$ 23,114	\$ 23,798
Subtotal - Federal Funds.....	184	306	306
Subtotal - Augmentations.....	2,308	2,371	2,387
Total - Institutional.....	\$ 23,994	\$ 25,791	\$ 26,491
Grants and Subsidies:			
Support of Public Schools:			
Instructional Support Teams.....	\$ 5,336	\$ 0	\$ 0
Basic Education Funding.....	3,449,457	3,570,188	3,677,294
Performance Incentives.....	10,415	13,415	16,769
Educational Opportunity Program.....	0	0	63,600
Technology Initiative.....	36,333	36,333	20,000
Science Education Program.....	350	450	0
Teacher Professional Development.....	0	3,000	4,840
Read to Succeed.....	0	0	35,000
Adult and Family Literacy.....	8,744	12,059	12,662
(F)Adult Basic Education - Local.....	13,338	16,500	16,500
(F)Literacy Alliance for Violence Prevention.....	156	0	0
Vocational Education.....	44,626	49,888	51,523
(F)Vocational Education Act - Local.....	42,278	55,853	50,000
Authority Rentals and Sinking Fund Requirements.....	239,906	253,766	253,766
Pupil Transportation.....	347,192	367,444	381,129
Nonpublic Pupil Transportation.....	38,272	54,926 ^f	54,379
Special Education.....	631,707	677,611	711,492

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
(F)Individuals with Disabilities Education - Local.....	118,574	154,802 _g	180,000
(F)Special Education Improvement.....	0	2,000	2,000
(F)Special Education Leadership Development.....	0	3,000	3,000
Early Intervention.....	76,648	81,455 _h	84,719
(F)Education for Disabled Children.....	1,218	1,220	1,220
Homebound Instruction.....	574	686 _i	643
Tuition for Orphans and Children Placed in Private Homes.....	35,045	38,375 _j	40,079
Payments in Lieu of Taxes.....	172	182	182
Education of Migrant Laborers' Children.....	278	248	727
(A)Migrant Education.....	473	473	0
PA Charter Schools for the Deaf and Blind.....	20,573	22,861	23,547
Special Education - Approved Private Schools.....	56,375	58,066	59,808
Intermediate Units.....	5,500	5,693	5,835
School Food Services.....	16,961	16,723	16,723
(F)Food and Nutrition - Local.....	252,835	267,750	281,138
School Employees' Social Security.....	328,100	343,800	350,328
School Employees' Retirement.....	391,718	321,881 _k	169,931
School District Demonstration Projects.....	800	4,100	0
Education of Indigent Children.....	103	110	113
Subtotal.....	\$ 6,174,057	\$ 6,434,858	\$ 6,568,947
(F)ESEA - Title VI - School Districts.....	9,793	13,550	14,000
(F)ESEA - Title I - Local.....	339,437	351,855	346,306
(F)DFSC - School Districts.....	19,356	17,168	16,972
(F)Educate America Act - Local.....	25,727	26,554	25,591
(F)Professional Development - Title II -Local.....	12,271	14,751	15,837
(F)Technology Literacy Challenge - Local.....	8,091	36,927	25,601
(F)America Reads Challenge-Local.....	0	11,065	12,000
(F)Comprehensive School Reform-Local.....	0	6,175	9,137
Subtotal.....	\$ 414,675	\$ 478,045	\$ 465,444
Other Grants and Subsidies:			
Education Mentoring.....	1,073 _l	1,200	1,200
Services to Nonpublic Schools.....	62,404	64,588	66,526
Textbooks and Instructional Materials for Nonpublic Schools.....	18,895	19,769	20,362
Technology for Nonpublic Schools.....	0	5,000	4,000
Teen Pregnancy and Parenthood.....	1,295	1,500	1,500
(F)Teenage Parenting Education.....	1,915	1,917	1,997
(F)Maternal and Child Health Services.....	582	619	860
Comprehensive Reading.....	300	300	300
Improvement of Library Services.....	29,407	30,289	47,289
Library Services for the Visually Impaired and Disabled.....	2,381	2,452	2,879
Library Access.....	3,245	6,350	6,508
School Library Catalog.....	420	420	431
Technology for Public Libraries.....	0	7,000	0
Ethnic Heritage.....	100	100	160
Governor's Schools of Excellence.....	1,259	1,478	1,916
JTPA - Matching Funds.....	3,856	4,586	3,996
(F)JTPA - Educational Training.....	2,994	3,886	3,310
School-to-Work Opportunities.....	482	500	500
Job Training Programs.....	3,500	5,400	3,500
Charter Schools.....	1,400	1,600	1,800
Charter Schools - Nonpublic Transfers.....	281	1,000	1,000
Charter Schools - Transitional Grants.....	7,500	0	0
Safe Schools.....	500	1,000	2,000
Alternative Schools.....	4,691	5,200	5,700
Administrative/Instructional Consolidation.....	0	1,000	1,500
Subtotal.....	\$ 148,480	\$ 167,154	\$ 179,234



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Higher Education - Other Grants and Subsidies:			
Community Colleges.....	156,713 m	166,419	171,412
Community College Technology.....	5,000	0	0
Regional Community Colleges Services.....	200	500	0
Community Colleges - Workforce Development.....	0	2,000	0
Higher Education for the Disadvantaged.....	7,827	7,828	8,828
Higher Education of Blind or Deaf Students.....	52	52	52
Higher Education Technology Grants.....	7,000	7,000	10,000
Higher Education Equipment.....	6,000	6,000	6,000
Engineering Equipment Grants.....	1,000	1,000	1,000
Rural Initiatives.....	550	1,200	1,025
Osteopathic Education.....	750	750	750
Subtotal.....	\$ 185,092	\$ 192,749	\$ 199,067
State System of Higher Education:			
State Universities.....	411,513 n	424,887	435,509
Recruitment of the Disadvantaged.....	327	338	346
McKeever Center.....	204	211	216
Affirmative Action.....	1,098	1,134	1,162
Subtotal.....	\$ 413,142	\$ 426,570	\$ 437,233
The Pennsylvania State University:			
Educational and General.....	221,794 o	229,002	234,727
Medical Programs.....	4,514	4,661	4,778
Children's Hospital.....	4,752	4,906	5,029
Agricultural Research.....	20,886	21,565	22,104
Agricultural Extension Services.....	22,543	23,276	23,858
Recruitment of the Disadvantaged.....	327	338	346
Central Pennsylvania Psychiatric Institute.....	1,849	1,909	1,957
Pennsylvania College of Technology.....	11,521	11,895	12,192
Pennsylvania College of Technology - Debt Service.....	1,530	1,592	1,530
Subtotal.....	\$ 289,716	\$ 299,144	\$ 306,521
University of Pittsburgh:			
Educational and General.....	136,366 p	140,798	144,318
Medical Programs.....	6,364	6,571	6,735
Dental Clinics.....	1,051	1,085	1,112
Recruitment of the Disadvantaged.....	327	338	346
Western Psychiatric Institute.....	7,847	8,102	8,305
Western Teen Suicide Center.....	507	523	536
Graduate School of Public Health.....	255	263	270
Rural Education Outreach.....	465	525	538
Subtotal.....	\$ 153,182	\$ 158,205	\$ 162,160
Temple University:			
Educational and General.....	143,255 q	147,911	151,609
Medical Programs.....	8,471	8,746	8,965
Dental Clinics.....	1,051	1,085	1,112
Recruitment of the Disadvantaged.....	327	338	346
Maxillofacial Prosthodontics.....	128	132	135
Podiatric Medicine.....	1,275 r	1,275	1,307
Subtotal.....	\$ 154,507	\$ 159,487	\$ 163,474
Lincoln University:			
Educational and General.....	10,062 s	10,139	10,392
Recruitment of the Disadvantaged.....	327	338	346
International Affairs Institute.....	295	305	313
Student Education Instruction Assistance.....	0	250	256

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Subtotal.....	\$ 10,684	\$ 11,032	\$ 11,307
Non-State Related Universities and Colleges:			
Drexel University.....	5,446	6,623	6,789
University of Pennsylvania - Dental Clinics.....	938	938	938
University of Pennsylvania - Medical Programs.....	4,034	4,034	4,034
University of Pennsylvania - Veterinary Activities.....	30,498	31,489	32,276
MCP Hahnemann University - Medical Programs.....	8,142	8,142	8,142
MCP Hahnemann University - Operations & Maintenance.....	1,798	1,798	1,798
MCP Hahnemann University - Recruitment of the Disadvantaged.....	321	321	321
MCP Hahnemann University - Cardiovascular Studies.....	132	500	500
MCP Hahnemann University - Transition.....	0	0	2,000
Thomas Jefferson University - Doctor of Medicine Instruction.....	5,869	5,869	5,869
Thomas Jefferson University - Operations & Maintenance.....	4,113	4,113	4,113
Philadelphia College of Osteopathic Medicine.....	5,222	5,222	5,222
Pennsylvania College of Optometry.....	1,548	1,548	1,548
Philadelphia University of the Arts.....	1,043	1,243	1,243
Subtotal.....	\$ 69,104	\$ 71,840	\$ 74,793
Non-State Related Institutions:			
Berean - Operations and Maintenance.....	1,054	1,254	1,254
Berean - Rental Payments.....	98	98	98
Johnson Technical Institute.....	202	202	202
Williamson Free School of Mechanical Trades.....	73	73	73
Subtotal.....	\$ 1,427	\$ 1,627	\$ 1,627
Subtotal - State Funds.....	\$ 7,165,028	\$ 7,414,646	\$ 7,564,338
Subtotal - Federal Funds.....	848,565	985,592	1,005,469
Subtotal - Augmentations.....	473	473	0
Total - Grants and Subsidies.....	\$ 8,014,066	\$ 8,400,711	\$ 8,569,807
STATE FUNDS.....	\$ 7,213,512	\$ 7,472,364	\$ 7,625,270
FEDERAL FUNDS.....	891,574	1,046,971	1,064,321
AUGMENTATIONS.....	8,167	8,502	7,859
GENERAL FUND TOTAL.....	\$ 8,113,253	\$ 8,527,837	\$ 8,697,450
MOTOR LICENSE FUND:			
<i>Grants and Subsidies:</i>			
Safe Driving Course.....	\$ 1,272	\$ 1,556	\$ 1,591
MOTOR LICENSE FUND TOTAL.....	\$ 1,272	\$ 1,556	\$ 1,591
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>Grants and Subsidies:</i>			
Local Libraries Rehabilitation and Development (EA).....	\$ 2,503	\$ 3,596	\$ 1,951
State System of Higher Educ. - Deferred Maintenance (EA).....	8,526	10,629	8,326
Total - Grants and Subsidies.....	\$ 11,029	\$ 14,225	\$ 10,277
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 11,029	\$ 14,225	\$ 10,277
OTHER FUNDS:			
GENERAL FUND:			
LSTA - Library Grants.....	\$ 3,321	\$ 4,471	\$ 7,000



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Emergency Immigrant Assistance.....	338	530	1,200
Surety Bond Proceeds.....	14	14	14
Distressed School Districts Assistance (Section 2502.30).....	1,363	1,363	0
Severely Disabled Program.....	104	150	150
Private Licensed Schools.....	527	577	594
Medical Assistance Reimbursements.....	17,101	30,000	40,000 * Special Ed.
Education of the Disabled - Part D.....	291	235	235
Approved Private Schools - Audit Resolution.....	1,269	1,500	1,500
Bell Atlantic Grant - Internet Access.....	188	0	0
Woodland Hills Desegregation.....	3,803	4,555	0
Telecommunications Education Fund Grant.....	0	350	0
GENERAL FUND TOTAL.....	\$ 28,319	\$ 43,745	\$ 50,693
ORGAN DONATION AWARENESS TRUST FUND:			
Organ Donation Awareness (EA).....	\$ 21	\$ 167	\$ 49
SCHOOL EMPLOYEES' RETIREMENT FUND:			
Administration.....	\$ 27,755	\$ 26,051	\$ 27,110
Directed Commissions.....	5,482	10,179	3,052
SCHOOL EMPLOYEES' RETIREMENT FUND TOTAL.....	\$ 33,237	\$ 36,230	\$ 30,162
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 7,213,512	\$ 7,472,364	\$ 7,625,270
SPECIAL FUNDS.....	12,301	15,781	11,868
FEDERAL FUNDS.....	891,574	1,046,971	1,064,321
AUGMENTATIONS.....	8,167	8,502	7,859
OTHER FUNDS.....	61,577	80,142	80,904
TOTAL ALL FUNDS.....	\$ 8,187,131	\$ 8,623,760	\$ 8,790,222

- ^a Includes recommended supplemental appropriation of \$1,000,000. Also, includes \$26,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^b Includes recommended supplemental appropriation of \$1,125,000.
- ^c Includes \$5,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^d Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^e Includes \$8,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^f Includes recommended supplemental appropriation of \$1,091,000.
- ^g Includes recommended supplemental appropriation of \$14,802,000.
- ^h Includes recommended supplemental appropriation of \$2,508,000.
- ⁱ Includes recommended supplemental appropriation of \$112,000.
- ^j Includes recommended supplemental appropriation of \$486,000.
- ^k Actually appropriated as \$282,981,000 for School Employees' Retirement and \$38,900,000 for Annuitant Cost of Living Increase.
- ^l Actually appropriated as Dropout Prevention.
- ^m Actually appropriated as \$155,192,000 for Community Colleges and \$1,521,000 for Community Colleges - Special Projects.
- ⁿ Actually appropriated to the State System of Higher Education as \$404,828,000 for State Universities, \$2,700,000 for The Prometheus Project and \$3,985,000 for Special Projects.
- ^o Actually appropriated to The Pennsylvania State University as \$218,984,000 for Educational and General and \$2,810,000 for Special Projects.
- ^p Actually appropriated to the University of Pittsburgh as \$134,880,000 for Educational and General and \$1,486,000 for Special Projects.
- ^q Actually appropriated to Temple University as \$141,767,000 for Educational and General and \$1,488,000 for Special Projects.
- ^r Actually appropriated to the Pennsylvania College of Podiatric Medicine.
- ^s Actually appropriated to Lincoln University as \$9,958,000 for Educational and General and \$104,000 for Special Projects.
- ^t MCP Hahnemann University was formerly the Allegheny University of Health Sciences.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 18,070	\$ 21,616	\$ 22,915	\$ 20,361	\$ 20,773	\$ 21,194	\$ 21,624
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	41,024	58,889	57,105	57,105	57,105	57,105	57,105
OTHER FUNDS.....	39,070	42,380	36,141	36,864	37,600	38,352	39,118
SUBCATEGORY TOTAL.....	\$ 98,164	\$ 122,885	\$ 116,161	\$ 114,330	\$ 115,478	\$ 116,651	\$ 117,847
BASIC EDUCATION							
GENERAL FUND.....	\$ 5,866,246	\$ 6,063,331	\$ 6,170,905	\$ 6,176,163	\$ 6,214,207	\$ 6,241,410	\$ 6,256,630
SPECIAL FUNDS.....	1,272	1,556	1,591	1,623	1,655	1,688	1,722
FEDERAL FUNDS.....	846,269	982,035	1,002,321	1,002,321	1,002,321	1,002,321	1,002,321
OTHER FUNDS.....	25,706	40,336	44,156	44,178	44,200	44,223	44,246
SUBCATEGORY TOTAL.....	\$ 6,739,493	\$ 7,087,258	\$ 7,218,973	\$ 7,224,285	\$ 7,262,383	\$ 7,289,642	\$ 7,304,919
JOB TRAINING							
GENERAL FUND.....	\$ 14,565	\$ 17,969	\$ 15,797	\$ 15,839	\$ 15,974	\$ 16,112	\$ 16,253
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,069	4,036	3,460	3,460	3,460	3,460	3,460
OTHER FUNDS.....	1,365	1,358	1,365	1,392	1,420	1,448	1,476
SUBCATEGORY TOTAL.....	\$ 18,999	\$ 23,363	\$ 20,622	\$ 20,691	\$ 20,854	\$ 21,020	\$ 21,189
LIBRARY SERVICES							
GENERAL FUND.....	\$ 39,204	\$ 50,421	\$ 61,098	\$ 75,908	\$ 75,989	\$ 76,072	\$ 76,157
SPECIAL FUNDS.....	2,503	3,596	1,951	1,817	1,862	2,042	2,229
FEDERAL FUNDS.....	1,212	2,011	1,435	1,435	1,435	1,435	1,435
OTHER FUNDS.....	3,603	4,570	7,101	7,102	7,103	7,104	7,105
SUBCATEGORY TOTAL.....	\$ 46,522	\$ 60,598	\$ 71,585	\$ 86,262	\$ 86,389	\$ 86,653	\$ 86,926
HIGHER EDUCATION							
GENERAL FUND.....	\$ 1,275,427	\$ 1,319,027	\$ 1,354,555	\$ 1,342,555	\$ 1,342,555	\$ 1,342,555	\$ 1,342,555
SPECIAL FUNDS.....	8,526	10,629	8,326	8,328	8,986	9,820	10,582
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,283,953	\$ 1,329,656	\$ 1,362,881	\$ 1,350,883	\$ 1,351,541	\$ 1,352,375	\$ 1,353,137
ALL PROGRAMS:							
GENERAL FUND.....	\$ 7,213,512	\$ 7,472,364	\$ 7,625,270	\$ 7,630,826	\$ 7,669,498	\$ 7,697,343	\$ 7,713,219
SPECIAL FUNDS.....	12,301	15,781	11,868	11,768	12,503	13,550	14,533
FEDERAL FUNDS.....	891,574	1,046,971	1,064,321	1,064,321	1,064,321	1,064,321	1,064,321
OTHER FUNDS.....	69,744	88,644	88,763	89,536	90,323	91,127	91,945
DEPARTMENT TOTAL.....	\$ 8,187,131	\$ 8,623,760	\$ 8,790,222	\$ 8,796,451	\$ 8,836,645	\$ 8,866,341	\$ 8,884,018

PROGRAM OBJECTIVE: To provide students with the skills, attitudes and abilities needed for effective living in our complex society.

Program: Basic Education

Program Element: Basic Education

The Equalized Subsidy for Basic Education (ESBE) was established by Act 73 of 1983 to distribute the basic education subsidy to the Commonwealth's public school districts. Over its eleven years of existence, ESBE contained three primary components: a base subsidy on account of instructional expense, an economic supplement on account of pupils in low-income families and an economic supplement on account of local tax effort and population per square mile.

Act 16 of 1993 established an Equity Supplement. The Equity Supplement contained five components: an expenditure component, poverty component, foundation guarantee, growth supplement and limited revenue sources supplement. In addition, during 1993-94, money was set aside from the Equity Supplement to assist school districts experiencing financial difficulty.

Act 6A of 1994 combined ESBE and the Equity Supplement into the Basic Education Funding appropriation. The allocation to each school district for 1994-95 was equal to the sum of the ESBE and Equity Supplement allocations for 1993-94. In addition, Act 6A established the Foundation Funding for Equity which contained four components: a foundation component, poverty component, growth component and a minimum increase component.

The recent history of the Basic Education Funding appropriation is as follows:

- Act 26 of 1995 established the funding formula for 1995-96 and contained three components: a base allocation, minimum guaranteed increase and small district supplement.
- Under Act 107 of 1996, each school district received the same amount of Basic Education Funding in 1996-97 as they received in 1995-96. Act 107 also provided for the establishment of Project Link to Learn. This initiative will connect Pennsylvania's schools via a high-speed computer network to bring the resources of the world into the classroom.
- Act 30 of 1997 established the funding formula for 1997-98. In addition to providing each school district an amount equal to the 1996-97 Basic Education Funding allocation, the formula contained three components: a base supplement, growth supplement and a minimum increase component.
- Act 46 of 1998 established the funding formula for the 1998-99 Basic Education Funding appropriation. In addition to providing each school district an amount equal to its 1997-98 allocation, the formula contains five components: a base supplement, growth supplement, minimum increase, poverty supplement and small district assistance supplement.

Program Element: Educational Support

The activities included in this element are those that support basic education programs but are not directly involved with their implementation. These programs include: payments to school districts to cover the State share of payroll costs for Social Security and retirement, authority rental and sinking fund payments for school infrastructure, pupil transportation, school food service subsidy and subsidy payments to intermediate units.

More than two-thirds of the school buildings in the Commonwealth were constructed prior to 1965. Since that time, needs have changed in terms of instructional programs, accessibility, educational philosophy and technology. Buildings have also experienced normal deterioration from use. These factors, as well as demographic changes and a favorable investment climate, have resulted in a continued increase in the number of school building and renovation projects reviewed annually. Of the 1,600 leases supported with Commonwealth funds, eighty percent of all projects involve renovation or expansion of existing facilities.

Program Element: Basic Education-Nonpublic Schools

The Commonwealth provides aid to nonprofit nonpublic schools through this element. Appropriations are for auxiliary services, textbooks, instructional materials and transportation to and from nonpublic schools.

Services provided include guidance counseling, testing, psychological services, speech and hearing services, remedial reading, remedial math and services for exceptional children. Textbooks are loaned to children in nonpublic schools under a program established by Act 195 of 1972. Act 90 of 1975 authorizes instructional materials to be loaned to nonpublic schools. Transportation is provided to and from school for nonpublic school students in accordance with the Public School Code. Also, the 1998-99 budget includes an appropriation to enable nonprofit nonpublic schools to be part of Project Link to Learn.

Program Element: Basic Education — Adjudicated Youth

This element includes educational services for those in rehabilitative or correctional facilities. The Commonwealth's Youth Development Centers house minors adjudicated from the court system. These centers provide rehabilitation and education for incarcerated juveniles. The appropriation within this element is Youth Development Centers-Education.

Program Element: Special Education

Special education, in partnership with basic education, is serving about 288,000 school-aged students in Pennsylvania school districts, intermediate units, approved private schools, private residential facilities and State centers.



Program: Basic Education (continued)

The major special education appropriation provides support for programs for exceptional children served by the public schools of the Commonwealth. Public school special education programs are administered by all 501 school districts. These programs may be directly operated by the districts or contracted with other school districts, intermediate units or other providers. When appropriate public education is not available, students may be assigned to department approved private schools.

Funds are also provided under this element for the State-operated Scranton State School for the Deaf.

Program Element: Vocational Education

Vocational Education, also in partnership with basic education, is serving approximately 108,000 secondary students. The appropriation for vocational education is paid to area vocational-technical schools and school districts that provide vocational-technical instruction.

Program Element: Education Mentoring

This program element supports community-based organizations that partner with schools to provide senior/adult/older mentors to at-risk teens and younger students. Mentors are matched with those students most at-risk of dropping out, students with high absentee rates or truancy and poor academic performance. Grants are awarded on a competitive basis.

Program Element: Basic Education — Teen Parenting

Through this element, the Commonwealth offers program grants, training and technical assistance to schools to provide educational and support services necessary to help pregnant and parenting teens stay in school and graduate. Services include case management, parenting education,

referral to pre- and post-natal health care, childcare services, transportation and other services.

Program Element: Alternative Education for Disruptive Youth

This program element provides for the development of alternative education programs for disruptive students. School districts receive formula-based grants to aid in offsetting the costs of the operating these programs. Local participation is encouraged through the requirement of local matching support. School districts are further encouraged to work together to tailor the types of programs necessary to meet their needs, either through consortia or an intermediate unit.

Program Element: Charter Schools

This program element provides for grants to groups and schools interested in planning and starting charter schools. Charter schools are public schools, approved by local school districts, which will spur innovative quality while controlling costs. They are created and controlled by parents, community leaders and/or teachers. Charter schools operate free from educational mandates, except those concerning nondiscrimination, health and safety.

Program Element: Safe Schools

Through the Center for Safe Schools, school districts receive grants to implement their localized innovative plans for safer schools. A portion of the funding is targeted to those school districts that have experienced the greatest problems with violence. This effort is intended to provide children with the opportunity to learn and teachers with the opportunity to teach in environments unhindered by violence and disciplinary problems.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Basic Education							
Public school enrollment (K-12)	1,815,151	1,818,090	1,817,530	1,810,150	1,799,900	1,788,600	1,772,400
Total expenditures per average daily membership	\$7,700	\$8,000	\$8,300	\$8,700	\$9,000	\$9,400	\$9,700
High school graduation rates (%)	84.4	84.3	84.2	84.3	84.4	84.4	84.4
Graduates enrolling in business, technical or college programs	82,300	83,380	85,280	85,270	84,860	87,010	88,940
Students taking PA Assessment	628,749	663,000	685,000	860,000	1,209,000	1,281,000	1,281,000
Total General Educational Development (GED) diplomas	17,440	19,000	19,000	19,000	19,000	19,000	19,000
Enrollment in adult basic education	55,659	55,000	55,000	55,000	55,000	55,000	55,000
Adult education volunteers trained	3,149	3,000	3,000	3,000	3,000	3,000	3,000
Adult education students receiving adjunct services	40,014	39,000	39,000	39,000	39,000	39,000	39,000

Students taking PA Assessment increases significantly beginning in 2000-01 as it is planned more grade levels will participate in the tests and more subject areas will be tested.

Enrollment in adult basic education decreased from that shown in last year's budget due to the efforts to expedite placement of program participants into the workforce.

Program: Basic Education (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Basic Education—Nonpublic Schools							
Nonpublic school enrollment	332,625	330,110	327,050	322,910	318,340	313,860	309,090
Basic Education—Adjudicated Youth							
Youth Development Centers:							
Total youth served	2,053	2,100	2,100	2,100	2,100	2,100	2,100
Special Education							
Pupils with disabilities enrolled in programs...	204,645	205,000	205,000	205,000	205,000	205,000	205,000
Pupils enrolled in programs for the gifted	78,987	79,000	79,000	79,000	79,000	79,000	79,000
Scranton School for the Deaf enrollment.....	124	117	125	125	125	125	125
Approved vocational education programs:							
Students enrolled	19,077	19,078	19,459	19,848	20,046	20,096	20,096
Students completing programs	3,644	4,000	4,000	4,000	4,000	4,000	4,000
Vocational Education							
Enrollment	103,562	108,380	111,000	115,000	118,000	118,000	118,000
Students placed in jobs	18,708	18,700	18,700	18,700	18,700	18,700	18,700
Basic Education—Education Mentoring							
Education mentoring/dropout prevention program enrollment	17,483	18,233	6,542	3,600	3,600	3,600	3,600
Basic Education—Teen Parenting							
Students served by teen parenting programs ..	5,650	5,700	6,000	6,000	6,000	6,000	6,000

Special education students completing approved vocational education programs increased from those shown in last year's budget due to the implementation of more successful intervention strategies by local schools.

Education mentoring/dropout prevention program enrollments are projected to decrease beginning in 1999-00 as more intensive mentoring programs are focused on the most at-risk students.

Students served by teen parenting programs increased from the projections shown in last year's budget due to the expansion of the Education Leading to Employment and Career Training (ELECT) program and the inclusion of GED-eligible teens in the program.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND			
	PA Assessment		\$ 16,769	Performance Incentives
\$ 1,150	—PRR — Improving Our Schools. This Program Revision strengthens and expands the current academic testing system to incorporate the new higher academic standards. See the Program Revision following this program for additional information.			—PRR — Improving Our Schools. This Program Revision provides incentive grant awards to schools that demonstrate improvements in academic achievement and effort. See the Program Revision following this program for additional information.
			-13,415	—performance incentive award funding in the 1998-99 budget.
				Appropriation Increase
	Youth Development Centers — Education		\$ 3,354	
\$ 229	—to continue current program.			
	Scranton State School for the Deaf		\$ 63,600	Educational Opportunity Program
\$ 137	—to continue current program.			—PRR — Improving Our Schools. This Program Revision establishes a five-year pilot Educational Opportunity Program to provide parents with greater educational options for their children. See the Program Revision following this program for additional information.
	Basic Education Funding			
\$ 107,106	—PRR — Improving Our Schools. This Program Revision provides resources to school districts for basic education programs. See the Program Revision following this program for additional information.			

Program: Basic Education (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	20,000	Technology Initiative —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision extends for one year the program to provide resources to local education agencies to implement regional action plans that create community-wide networks. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.	\$	33,881	Special Education —PRR — Improving Our Schools. This Program Revision provides for a five percent appropriation increase for special education programs. See the Program Revision following this program for additional information.
	-36,333	—last year of original Link to Learn funding for local education agencies in the 1998-99 budget.		3,264	Early Intervention —to continue current program.
	-16,333	<i>Appropriation Decrease</i>		-43	Homebound Instruction —nonrecurring expenditures.
	-450	Science Education Program —nonrecurring project.		1,704	Tuition for Orphans and Children Placed in Private Homes —to continue current program.
	-1,000	Teacher Professional Development —nonrecurring material production and other program start-up costs.		6	Education of Migrant Laborers' Children —to continue current program.
	2,840	—PRR — Improving Our Schools. This Program Revision provides expanded teacher professional development opportunities to ensure successful integration of the improved assessment tests and new academic standards. See the Program Revision following this program for additional information.		473	—to appropriate child care services funds to the Department of Education that were appropriated to the Department of Public Welfare and then transferred to Education in prior fiscal years.
	1,840	<i>Appropriation Increase</i>		479	<i>Appropriation Increase</i>
	35,000	Read to Succeed —PRR — Improving Our Schools. This Program Revision establishes an intensive reading program targeted to school districts with students in the early K-3 grades who are not progressing toward the proficient level on the State standards for reading. See the Program Revision following this program for additional information.		1,742	PA Charter Schools for Deaf and Blind —to continue current program.
	603	Adult and Family Literacy —to continue current program.		142	Intermediate Units —to continue current program.
	1,135	Vocational Education —to continue current program.		6,528	School Employees' Social Security —to continue current program.
	500	—Initiative — Innovative Learning and Workforce Development Grants. To expand the Innovative Learning and Workforce Development Grant Program.		-151,950	School Employees' Retirement —to continue current program at established employer contribution rate.
	1,635	<i>Appropriation Increase</i>		-4,100	School District Demonstration Projects —nonrecurring projects.
	13,685	Pupil Transportation —to continue current program.		3	Education of Indigent Children —to continue current program.
	-547	Nonpublic Pupil Transportation —reflects projected decrease in nonpublic students to be transported.		1,938	Services to Nonpublic Schools —to continue current program.
				593	Textbooks and Instructional Materials for Nonpublic Schools —to continue current program.



Program: Basic Education (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 4,000 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision extends for one year the program to provide resources to enable nonpublic schools to participate in the educational benefits afforded by information technology. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.</p> <p>—5,000 —last year of original Link to Learn funding for nonpublic schools in the 1998-99 budget.</p> <hr/> <p>\$ -1,000 <i>Appropriation Decrease</i></p> <p>\$ 60 —to enhance curriculum and training programs on ethnic diversity.</p> <p>\$ 38 —to continue current program.</p> <p>400 —Initiative — Governor's School for Information Technology. To establish a Governor's School for Information Technology.</p> <hr/> <p>\$ 438 <i>Appropriation Increase</i></p> <p>\$ 200 —to continue current program.</p>	<p>\$ 1,000 Safe Schools —PRR — Improving Our Schools. This Program Revision expands the Safe Schools Program to assist school districts to be more proactive in preventing and reducing school violence. See the Program Revision following this program for additional information.</p> <p>\$ 500 Alternative Schools —PRR — Improving Our Schools. This Program Revision expands the Alternative Education Program to assist school districts in educating disruptive children. See the Program Revision following this program for additional information.</p> <p>\$ 500 Administrative/Instructional Consolidation —PRR — Improving Our Schools. This Program Revision provides continuation grants to encourage local education agencies to consolidate administrative and instructional functions. See the Program Revision following this program for additional information.</p> <p>\$ 35 MOTOR LICENSE FUND Safe Driving Course —to continue current program.</p>
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This budget proposes the transfer of Correctional Education to the Department of Corrections. All funding sources have been adjusted accordingly.

All other appropriations are recommended at the current year funding levels.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
PA Assessment	\$ 5,161	\$ 9,078	\$ 10,228	\$ 10,228	\$ 10,228	\$ 10,228	\$ 10,228
Youth Development Centers — Education	10,898	11,753	11,982	12,222	12,466	12,715	12,969
Scranton State School for the Deaf	4,822	5,005	5,142	5,245	5,350	5,457	5,566
Instructional Support Teams	5,336	0	0	0	0	0	0
Basic Education Funding	3,449,457	3,570,188	3,677,294	3,677,294	3,677,294	3,677,294	3,677,294
Performance Incentives	10,415	13,415	16,769	16,769	16,769	16,769	16,769
Educational Opportunity Program	0	0	63,600	93,305	120,175	145,872	164,245
Technology Initiative	36,333	36,333	20,000	0	0	0	0
Science Education Program	350	450	0	0	0	0	0
Teacher Professional Development	0	3,000	4,840	3,540	3,540	3,540	3,540
Read to Succeed	0	0	35,000	25,000	25,000	15,000	0
Adult and Family Literacy	8,744	12,059	12,662	12,662	12,662	12,662	12,662
Vocational Education	44,626	49,888	51,523	51,523	51,523	51,523	51,523
Authority Rentals and Sinking Fund Requirements	239,906	253,766	253,766	253,766	253,766	253,766	253,766



Program: Basic Education (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND: (continued)							
Pupil Transportation	\$ 347,192	\$ 367,444	\$ 381,129	\$ 381,129	\$ 381,129	\$ 381,129	\$ 381,129
Nonpublic Pupil Transportation	38,272	54,926	54,379	54,379	54,379	54,379	54,379
Special Education	631,707	677,611	711,492	711,492	711,492	711,492	711,492
Early Intervention	76,648	81,455	84,719	84,719	84,719	84,719	84,719
Homebound Instruction	574	686	643	643	643	643	643
Tuition for Orphans and Children Placed in Private Homes	35,045	38,375	40,079	40,079	40,079	40,079	40,079
Payments in Lieu of Taxes	172	182	182	182	182	182	182
Education of Migrant Laborers' Children	278	248	727	727	727	727	727
PA Charter Schools for the Deaf and Blind	20,573	22,861	23,547	23,547	23,547	23,547	23,547
Special Education — Approved Private Schools	56,375	58,066	59,808	59,808	59,808	59,808	59,808
Intermediate Units	5,500	5,693	5,835	5,835	5,835	5,835	5,835
School Food Services	16,961	16,723	16,723	16,723	16,723	16,723	16,723
School Employees' Social Security	328,100	343,800	350,328	360,838	371,663	382,813	394,297
School Employees' Retirement	391,718	321,881	169,931	169,931	169,931	169,931	169,931
School District Demonstration Projects	800	4,100	0	0	0	0	0
Education of Indigent Children	103	110	113	113	113	113	113
Education Mentoring	1,073	1,200	1,200	1,200	1,200	1,200	1,200
Services to Nonpublic Schools	62,404	64,588	66,526	66,526	66,526	66,526	66,526
Textbooks and Instructional Materials for Nonpublic Schools	18,895	19,769	20,362	20,362	20,362	20,362	20,362
Technology for Nonpublic Schools	0	5,000	4,000	0	0	0	0
Teen Pregnancy and Parenthood	1,295	1,500	1,500	1,500	1,500	1,500	1,500
Comprehensive Reading	300	300	300	300	300	300	300
Ethnic Heritage	100	100	160	160	160	160	160
Governor's Schools of Excellence	1,259	1,478	1,916	1,916	1,916	1,916	1,916
School-to-Work Opportunities	482	500	500	500	500	500	500
Charter Schools	1,400	1,600	1,800	1,800	1,800	1,800	1,800
Charter Schools — Nonpublic Transfers	281	1,000	1,000	1,000	1,000	1,000	1,000
Charter Schools — Transitional Grants	7,500	0	0	0	0	0	0
Safe Schools	500	1,000	2,000	2,000	2,000	2,000	2,000
Alternative Schools	4,691	5,200	5,700	5,700	5,700	5,700	5,700
Administrative/Instructional Consolidation	0	1,000	1,500	1,500	1,500	1,500	1,500
TOTAL GENERAL FUND	\$ 5,866,246	\$ 6,063,331	\$ 6,170,905	\$ 6,176,163	\$ 6,214,207	\$ 6,241,410	\$ 6,256,630
MOTOR LICENSE FUND:							
Safe Driving Course	\$ 1,272	\$ 1,556	\$ 1,591	\$ 1,623	\$ 1,655	\$ 1,688	\$ 1,722

Program Revision: Improving Our Schools

Pennsylvania's future depends upon the educational opportunities offered to our students. Every child needs a quality education to realize his or her full potential and to build a foundation for lifelong learning. This Program Revision significantly enhances support for current basic education programs by increasing funding for a variety of programs and strategies designed to address the educational needs of our children, and by recommending two new basic education initiatives.

This Program Revision increases support for basic education, expands the performance incentive program, refines and expands our current academic assessment system, and expands teacher professional development opportunities. This Program Revision also increases special education funding, expands programs to assist school districts to be more proactive in preventing and reducing school violence and in educating students that exhibit disruptive or violent behavior; and continues to support efforts of local education agencies to become more efficient.

In addition, this Program Revision recommends funding for two new basic education initiatives. The Educational Opportunity Program is a five-year pilot program designed to provide parents with greater educational options for their children. The Read to Succeed Program is an intensive reading program for students in grades K-3 who are not progressing toward proficiency on the academic standards for reading.

Basic Education Funding

This Program Revision recommends an additional \$107.1 million for Basic Education Funding. The proposal distributes more than \$70 million to 398 school districts on a pro rata basis considering their wealth and enrollment. An additional \$6 million is provided to 275 school districts that experienced enrollment growth in the past school year. The proposal also provides more than \$6 million to assist school districts with enrollment that includes a large proportion of children from low income families and \$8 million to assist smaller, less affluent school districts. An additional \$15 million, representing a four percent funding increase, is provided to 125 of the poorest school districts, and approximately \$2 million is provided to ensure that, at a minimum, all school districts will receive at least a one percent funding increase.

Performance Incentives and Academic Achievement

This Program Revision recommends \$16.8 million to expand the Incentive Award Program which recognizes schools that make notable improvements in student achievement and effort. Schools will qualify for the incentive awards based on significant improvements in student academic achievement and school attendance. Academic achievement is measured by a school's improvement in comparison to results from prior years on the Statewide

Pennsylvania System of School Assessment. A school's effort will be assessed based on student attendance rates and, in subsequent years, also based on high school graduation rates. Funding for the Performance Incentive Program is expected to grow along with future funding increases to the Basic Education Funding appropriation.

This Program Revision also recommends more than \$1.1 million to strengthen the PA System of School Assessments. Funding is provided to expand the number of subject areas tested, develop a third grade assessment in reading and mathematics, and make improvements to the current assessment tools used for reading, mathematics and writing in order to incorporate the new higher academic standards. Higher academic standards will ensure that our children will be prepared to succeed in higher education, in the workforce and in our society.

Teacher Professional Development

Recognizing the importance of teachers to the successful integration of standards into the curriculum, this Program Revision provides more than \$2.8 million to expand teacher professional development programs. Training teachers on the new standards is critical to the successful integration of the standards into a school's curriculum. Training will be provided to approximately 60,900 public school teachers and 240 administrators. Training programs will be supplemented through technical assistance and include resource packages containing the standards, their connection to the PA System of School Assessments, guidance on the alignment of curriculum instruction and assessment, and standards-based instructional material.

This Program Revision proposes to establish two Academies for Urban Education which will provide approximately 200 teachers with one-week intensive training specific to the special needs and issues facing urban schools as well as training in the best practices for teaching science, mathematics, special education and English as a second language. Additionally, the Program Revision expands the number of Teacher Institutes to provide in-service training for approximately 750 of our best and brightest teachers. The Institutes provide state-of-the-art professional development focusing on the best practices in the academic content areas represented by the various Governor's Schools of Excellence and regional schools. Through this coordinated effort, educators will be able to prepare our students to meet the new and more rigorous academic standards and improve the quality of instruction provided in our schools.

Educational Opportunity Program

This Program Revision recommends \$63.6 million in first year funding to establish a five-year pilot Educational Opportunity Grant Program to provide parents the opportunity to choose the type of school best suited for



Program Revision: Improving Our Schools (continued)

their children. This pilot will be operational in school districts in six counties, seven additional cities and two townships across the State. Educational Opportunity Grants will be provided to families on an income means-tested basis. In the first year, families with Federal taxable incomes of \$15,000 or less, and with a child in grades K-8 will be eligible for the program. The Federal taxable income eligibility threshold rises each year to \$25,000 in the second year, to \$35,000 in the third year, to \$50,000 in the fourth year, and to \$75,000 in the fifth year. Students from families with Federal taxable incomes less than \$15,000 per year will be eligible for grants of \$1,400 per student, students from families with higher Federal taxable incomes will be eligible for grants of \$700 per student. Approximately 39,700 students are expected to be eligible and participate in the program in 1999-00, increasing to approximately 176,300 by the fifth year of the program as the income eligibility threshold increases. Students receiving grants in grades K-8 will be able to continue to receive the same grant as they progress through grades 9-12. The Educational Opportunity Program will enhance educational opportunities and assist Commonwealth efforts to provide quality education to all Pennsylvania's children.

Read to Succeed

This Program Revision proposes a new, innovative four-year \$100 million program, entitled Read to Succeed, to assist school districts with students who require intensive reading instruction. This Program Revision recommends \$35.2 million in first year funding for Read to Succeed. The program is designed to build strong reading skills in all Pennsylvania students, a fundamental means to acquire new knowledge and a prerequisite for students to attain high levels of academic achievement in their school years and ultimately, as adults, to successfully participate in the workplace and in society. Program components include the identification of students at risk in every school, the provision of effective instructional strategies and assessment techniques at the preschool and early grade levels, targeted professional development for K-3 teachers, training for parents and day care personnel, and the development of extended school year programs. The goal of Read to Succeed is to initiate an early literacy intervention program for students in grades K-3 who are not progressing toward the proficient level on the State academic standards for reading; to ensure that every student will be reading with comprehension and application no later than the end of the third grade.

Special Education

In 1998-99, school districts were reimbursed \$13,955 per student and \$1,260 per student based on one percent and 15 percent of their student population, respectively, to

fund programs for students with exceptionalities. In addition, the Commonwealth provided supplemental Special Education payments to eligible school districts based on wealth, special education expenditures, and local taxing effort.

This Program Revision recommends \$33.9 million, a five percent increase, for Special Education programs in Pennsylvania's schools. The Administration is reviewing the current Special Education funding methodology and related financial and program issues, and examining alternatives to the current funding methodology with the expectation that, at a minimum, all school districts will receive at least a two percent funding increase. As the budget process continues, the Administration will work with the Pennsylvania General Assembly to examine funding options and develop an improved school district funding methodology that addresses Special Education program needs and enhances school district and State level planning, reporting and budgeting.

Safe Schools

This Program Revision provides an additional \$1 million, increasing total support to \$2 million, for the Safe Schools Program designed to assist school districts address incidents of disruptive and violent behavior in the schools. Grants will be made available to an additional 44 school districts to develop innovative ways to address their own particular problems of disruptive and violent students. The proposed funding will also provide 20 continuation grants, and resources for the Center for Safe Schools to expand training, monitoring and technical assistance activities. Innovative safe school strategies will ensure safe school environments unhindered by violence and disciplinary problems that are conducive to learning for both students and teachers.

Alternative Schools

Alternative education programs are also important to ensure a safe and quality education for our children. This Program Revision provides an additional \$500,000 for the Alternative Schools Program, increasing total support to \$5.7 million. This program assists school districts in developing appropriate programming for students who behave in a manner disruptive to the school environment. School districts are encouraged to work together to tailor programs according to their specific needs, whether it be through the joining of school districts through Intermediate Units or creating school district consortiums. The goals of alternative programs are to ensure the safety of all students, to provide special programming for students exhibiting dangerous, violent or disruptive behavior, and ultimately to ensure the positive reentry of alternative education students into the regular school environment.

Program Revision: Improving Our Schools (continued)

Local Education Agency Management

Besides devoting significant effort and resources to improving basic education programs, it is also advantageous to encourage cooperation between local education agencies. The administrative and instructional consolidation initiative undertaken in 1998-99 established an incentive program designed to encourage local education agencies to develop cooperative partnerships with the goal of increasing management efficiencies of school districts. Districts that consolidate administrative services by sharing administrative personnel or other resources or that consolidated instructional services were eligible to receive incentive grants. This Program Revision includes \$500,000 to provide continuation grants equal to one-half the incentive grant amounts awarded to school districts in the current year.

In addition, the Public School Employees' Retirement System Board has reduced the employer contribution rate each year since 1995-96 for covered local education agency employees. Board actions to reduce the employer

contribution rate have freed-up significant local funding for school districts and other local education agencies. As a result of the latest employer contribution rate reduction approved by the Board, local education agencies will have an additional \$55 million available in 1999-00 to reallocate in their budgets to expand or enhance educational programming. Including this \$55 million, Board actions to reduce the employer contribution rate will have freed-up a total of \$580 million over the past four years for local education agencies to reinvest in lowering class size, improved technology, or other local priorities, or use to hold the line on local tax increases.

This Program Revision continues the Commonwealth's strong commitment to basic education. It strengthens and expands successful programs and creates new and innovative strategies to enhance educational opportunities and provide quality education to all Pennsylvania's children. With this Program Revision, total direct State support for local school districts will have increased by \$947.2 million since 1994-95.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
School districts receiving funds due to low wealth							
Program Revision	0	0	125	125	125	125	125
School districts receiving funds based on enrollment growth							
Program Revision	0	0	275	275	275	275	275
School districts receiving funds based on aid ratio and enrollment							
Program Revision	0	0	398	398	398	398	398
Students taking PA Assessment tests							
Current	628,749	663,000	672,000	675,000	690,000	700,000	700,000
Program Revision	0	0	685,000	860,000	1,209,000	1,281,000	1,281,000
Participants eligible for professional development							
Current	50,170	50,170	50,170	50,170	50,170	50,170	50,170
Program Revision	0	0	61,140	61,140	61,140	61,140	61,140
Students receiving Educational Opportunity Grants							
Program Revision	0	0	39,730	81,330	117,470	152,600	176,310
Schools receiving Read to Succeed Grants							
Program Revision	0	0	250	250	250	250	250
Safe Schools grants							
Current	46	46	46	46	46	46	46
Program Revision	0	0	90	90	90	90	90



Program Revision: Improving Our Schools (continued)

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations \$ 166 —for administrative support for the Read to Succeed Program.</p> <p>PA Assessment \$ 1,150 —to strengthen and expand the current academic testing system to incorporate the new higher academic standards.</p> <p>Basic Education Funding \$ 107,106 —to provide a three percent appropriation increase for basic education programs.</p> <p>Performance Incentives \$ 16,769 —for increased incentive grant awards to schools that demonstrate improvements in academic achievement and effort.</p> <p>Educational Opportunity Program \$ 63,600 —to establish a five-year pilot Educational Opportunity Program to provide parents with greater educational options for their children.</p> <p>Teacher Professional Development \$ 2,840 —to expand teacher professional development opportunities to ensure successful integration of the improved assessment tests and new academic standards.</p>	<p>Read to Succeed \$ 35,000 —to establish an intensive reading program targeted to school districts with students in grades K-3 who are not progressing toward the proficient level on the State standards for reading.</p> <p>Special Education \$ 33,881 —to provide a five percent appropriation increase for special education programs.</p> <p>Safe Schools \$ 1,000 —to expand the Safe Schools Program to assist school districts to be more proactive in preventing and reducing school violence.</p> <p>Alternative Schools \$ 500 —to expand the Alternative Schools Program to assist school districts in educating disruptive students.</p> <p>Administrative/Instructional Consolidation \$ 500 —for continuation grants to encourage local educational agencies to consolidate administrative and instructional functions.</p> <p>Program Revision Total \$ 262,512</p>
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Recommended Program Revision Costs by Appropriation: (Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 0	\$ 0	\$ 166	\$ 163	\$ 167	\$ 172	\$ 178
PA Assessment	0	0	1,150	1,150	1,150	1,150	1,150
Basic Education Funding	0	0	107,106	107,106	107,106	107,106	107,106
Performance Incentives	0	0	16,769	16,769	16,769	16,769	16,769
Educational Opportunity Program	0	0	63,600	93,305	120,175	145,872	164,245
Teacher Professional Development	0	0	2,840	1,540	1,540	1,540	1,540
Read to Succeed	0	0	35,000	25,000	25,000	15,000	0
Special Education	0	0	33,881	33,881	33,881	33,881	33,881
Safe Schools	0	0	1,000	1,000	1,000	1,000	1,000
Alternative Schools	0	0	500	500	500	500	500
Administrative/Instructional Consolidation ..	0	0	500	500	500	500	500
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 262,512	\$ 280,914	\$ 307,788	\$ 323,490	\$ 326,869

PROGRAM OBJECTIVE: *To improve the employment capabilities of those persons in the Commonwealth who are unemployed or underemployed.*

Program: Job Training

This program includes funding for the Job Training Partnership and programs offered through the State-owned Thaddeus Stevens College of Technology. It also includes funding for three non-State-related institutions: Berean Training and Industrial School, Johnson Technical Institute and Williamson Free School of Mechanical Trades.

Under the Federal Job Training Partnership Act (JTPA), State government, local government and the private sector work cooperatively in the development, planning and implementation of programs. Eight percent of funds under Title II-A and C of the act are earmarked for involvement of the education community in providing school to work programs, literacy and lifelong learning and programs to train women for nontraditional employment. Matching funds are provided from State and Federal sources. Up to 20 percent of the education funds can be used for coordination

and linkage activities between educational institutions and entities responsible for local administration of employment and training services.

The Federal Workforce Investment Act replaces the Job Training Partnership Act effective July 1, 2000. This Federal action will impact the funding included in future budgets, but the Job Training Partnership Act will still be operative for 1999-00.

Thaddeus Stevens College of Technology provides postsecondary vocational training primarily to indigent youths. Berean Training and Industrial School offers one- and two-year postsecondary trade and technical training. Johnson Technical Institute and Williamson Free School of Mechanical Trades provide three-year postsecondary technical programs.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Trainees enrolled in JTPA job training programs	9,028	9,300	9,300	9,300	9,300	9,300	9,300
Trainees completing JTPA instruction	4,199	4,200	4,200	4,200	4,200	4,200	4,200
Thaddeus Stevens enrollments	440	500	525	525	525	525	525
Berean enrollments	107	138	152	167	209	261	392
Johnson enrollments	373	370	375	377	382	383	385
Williamson enrollments	254	255	255	255	255	255	255

There are 28 Service Delivery Areas (SDAs) that share JTPA funds.

Trainees enrolled in JTPA job training programs and trainees completing JTPA instruction decreased from those shown in last year's budget based on actual activity.

Berean enrollments decreased from those shown in last year's budget due to the school's loss of Federal Title IV (Pell Grant) funding. The school anticipates the restoration of Title IV eligibility in 1999-00.

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND		JTPA — Matching Funds
	Thaddeus Stevens College of Technology	\$	—reflects decrease in available Federal funds.
\$	77 —to continue current program.		
	241 —Initiative — Establish an Associate Degree in Information Technology. To establish an associate degree level program in information technology to produce entry-level computer systems administrators.	\$	Job Training Programs
			—nonrecurring projects.
\$	318 <i>Appropriation Increase</i>		

The non-State-related institutions appropriations are recommended at the current year funding levels.

Program: Job Training (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Thaddeus Stevens College of Technology ..	\$ 5,782	\$ 6,356	\$ 6,674	\$ 6,716	\$ 6,851	\$ 6,989	\$ 7,130
JTPA - Matching Funds	3,856	4,586	3,996	3,996	3,996	3,996	3,996
Job Training Programs	3,500	5,400	3,500	3,500	3,500	3,500	3,500
Non-State-Related Institutions	1,427	1,627	1,627	1,627	1,627	1,627	1,627
TOTAL GENERAL FUND	\$ 14,565	\$ 17,969	\$ 15,797	\$ 15,839	\$ 15,974	\$ 16,112	\$ 16,253

PROGRAM OBJECTIVE: *To provide and improve library services to citizens of the Commonwealth, special libraries, and government agencies and employees.*

Program: Library Services

This program includes funding to support and improve State and local library services and to ensure access to these services by citizens of the Commonwealth. The program includes: the State Library, Improvement of Library Services, Library Services for Visually Impaired and Disabled, Library ACCESS, and the School Library Catalog.

The State Library is the agency of the Commonwealth charged with developing, improving and coordinating library services and systems in the State. It provides Statewide leadership in the development of libraries as essential contributors to the cultural and economic well being of Pennsylvania communities.

The State Library, located in Harrisburg, is a major resource library serving the State Government, as well as libraries and residents of the Commonwealth. It includes an extensive general and legal reference collection, comprehensive collections of Pennsylvania newspapers and Pennsylvania State and U.S. Government publications, computer search services to provide reference and research assistance to State Government personnel from more than 300 databases, and a computer-based catalog to give users more rapid access to information about the collection. Since 1990, the library has provided dial-access to the catalog for State agency offices and other libraries. The catalog is available on the Internet.

The library development function provides leadership and advisory services to public, academic and special libraries; coordinates a Statewide system of public libraries; administers a program of State-aid to public libraries and promotes sharing of library resources through a variety of cooperative programs affecting libraries throughout the Commonwealth.

The appropriation for Improvement of Library Services encourages local libraries to meet the information, education and recreation needs of the Commonwealth. These funds assist in supporting 28 district libraries by making their resources and services available to all residents of their respective areas. In addition, they support four regional resource center libraries that are designated by State law to acquire research collections and make them available to all residents.

Library Services for Visually Impaired and Disabled provides operating funds to Pennsylvania's regional libraries for direct mail services to Pennsylvania residents who are blind and physically disabled and cannot utilize regular print materials. Seventy percent of the users of this program are elderly persons who are often homebound and isolated with no other access to the world of books. The service is provided through contracts with the Carnegie Library of Pittsburgh and the Free Library of Philadelphia.

The Library ACCESS program (Statewide Library Card) allows people to use any participating public library no matter where they live. Libraries are reimbursed for the cost of lending books to people living outside their service areas. This program also supports public and school libraries with the costs to provide users with on-line periodical and reference database information covering a broad range of subjects.

The School Library Catalog Program provides students and teachers with information about library holdings across the Commonwealth. It provides access to books, journals and other information held by any participating school, public college or university library. The program's objective is to increase access to educational materials and to automate the time consuming management functions of Pennsylvania's school libraries. The program improves the curriculum across the Commonwealth by providing access to information.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Items loaned (in thousands)	69,678	70,500	72,400	74,000	75,275	76,575	77,900
Titles in State Library collection listed in machine readable catalog database	910,500	923,000	935,000	943,000	952,000	965,000	968,000
Patron queries handled by State Library staff	102,825	104,850	106,925	109,000	111,200	113,500	115,775
Items loaned under the Statewide Library ACCESS Program	10,822	11,550	12,000	12,250	12,500	12,750	13,000
Citizens served by ACCESS Pennsylvania database	681,000	709,000	741,000	776,000	816,000	862,000	899,000

A total of 98% of the Commonwealth's population is served by State-aided libraries.

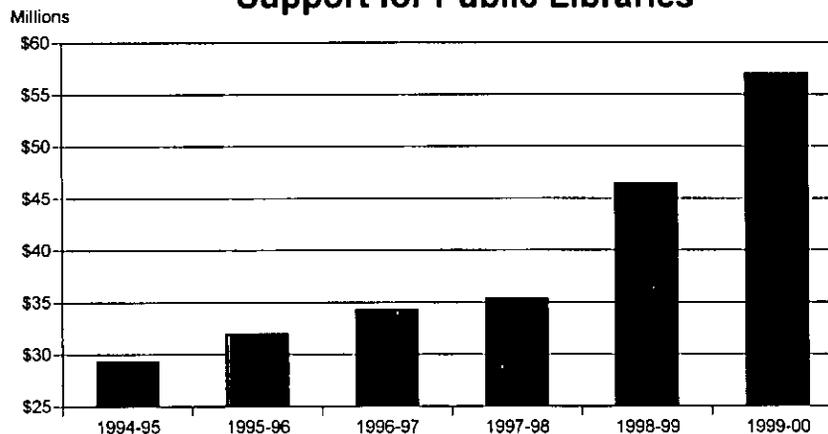
Program: Library Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND			
	State Library		Library Access
\$	81	—to continue current program.	\$ 158 —to continue current program.
	Improvement of Library Services		School Library Catalog
\$	17,000	—PRR — Investing in Pennsylvania's Public Libraries. This Program Revision restructures public library funding to enhance local library operating budgets and to create a stronger incentive for local governments to invest in its public libraries. See the Program Revision following this program for additional information.	\$ 11 —to continue current program.
	Library Services for Visually Impaired and Disabled		Technology for Public Libraries
\$	61	—to continue current program.	\$ -7,000 —nonrecurring appropriation.
	366	—PRR — Investing in Pennsylvania's Public Libraries. This Program Revision provides funding to maintain the Commonwealth's share of program costs and to upgrade the circulation systems. See the Program Revision following this program for additional information.	
			KEYSTONE RECREATION, PARK AND CONSERVATION FUND
			Local Libraries Rehabilitation and Development (EA)
			\$ -1,645 —nonrecurring projects.
\$	427	<i>Appropriation Increase</i>	

Support for Public Libraries



Total Commonwealth support for public libraries has increased by \$27.7 million from \$29.4 million in 1994-95 to \$57.1 million in 1999-00, an increase of 94 percent.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
State Library	\$ 3,751	\$ 3,910	\$ 3,991	\$ 4,071	\$ 4,152	\$ 4,235	\$ 4,320
Improvement of Library Services	29,407	30,289	47,289	62,289	62,289	62,289	62,289
Library Services for the Visually Impaired and Disabled	2,381	2,452	2,879	2,609	2,609	2,609	2,609
Library Access	3,245	6,350	6,508	6,508	6,508	6,508	6,508
School Library Catalog	420	420	431	431	431	431	431
Technology for Public Libraries	0	7,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 39,204	\$ 50,421	\$ 61,098	\$ 75,908	\$ 75,989	\$ 76,072	\$ 76,157
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Local Libraries Rehabilitation and Development (EA)	\$ 2,503	\$ 3,596	\$ 1,951	\$ 1,817	\$ 1,862	\$ 2,042	\$ 2,229

Program Revision: Investing in Pennsylvania's Public Libraries

Public libraries are essential contributors to the cultural and economic well being of our communities. The libraries in Pennsylvania provide access to a comprehensive collection of recorded knowledge, ideas and information. However, the cost of providing quality library services, including print and on-line information resources is expensive. Public libraries are struggling to keep up with the costs of new technology while keeping their doors open sufficient hours so people have access when they need it.

The public library system currently receives financial support from both the Commonwealth and local governments. This Program Revision proposes to restructure the funding of public library services in Pennsylvania in two ways. First, it will begin to reduce the strain on local library operating budgets through an increased per capita payment of State aid to public libraries. Second, it will offer a stronger incentive for local communities, particularly local governments, to invest in their public libraries.

Restructuring Public Library Funding

Currently, State support of public libraries is based on a formula that distributes funding in seven different categories. This Program Revision recommends an increase of \$17 million to revise the current formula and to direct the increased funding into two of the seven funding categories. Libraries are in critical need of increased general operating funds. This Program Revision proposes to rename the current Basic Aid category to Quality Libraries Aid and to increase the per capita aid payment from \$.60 to \$1.33, which is designed to offset general operating costs. This category will distribute \$8 million of the \$17 million increase.

Local governments must remain the primary funding source for public library services. Therefore, libraries need a working, viable incentive to attract local funding. The current incentive aid category is very complex. This Program Revision proposes to change the category name from Incentive Aid to Incentive for Excellence and direct State dollars where there is the most potential for local growth. Increased funding in this category will match local per capita expenditures. The proposed incentive is \$.61 in State funds for each \$1 per capita in local expenditures between \$5 and \$7.50 per capita. This category will distribute \$9 million of the \$17 million increase.

This Program Revision provides for further revisions to the library formula in 2000-2001. A third category called County Coordination Aid will encourage the restructuring

of libraries at the county level. Funding will match State dollars to county support of libraries and library systems that provide services within a cooperative, coordinated structure. Libraries and library systems must continue to show effective, coordinated services to be eligible for this category of State aid.

In order to ensure that the increased funding has the desired effect of improving the quality and extensiveness of public library services, the standards by which the public libraries are judged to be adequate will be raised significantly. Libraries will be required to be open more hours, to expand their print and on-line collections and to increase the education level of library staff. Libraries applying for County Coordination Aid will be required to demonstrate county-level cooperation for efficiencies of scale and coordination of services.

Library Services for the Visually Impaired and Disabled

The Library Services for the Visually Impaired and Disabled Program lends recorded, Braille and large print books and magazines to Pennsylvanians who cannot read regular print books because of visual or physical disabilities. This customer-focused program adds value to the individual and the community by enabling these individuals to pursue information independently in formats they can use.

This program is a Federal/State partnership. The Federal government funds most of the recorded materials and equipment and the free mailing privilege. Pennsylvania's contribution provides staff, facilities, telecommunication services, computer maintenance, and the purchase of large print books and descriptive videos. Pennsylvania provides this service under contracts with the Free Library of Philadelphia and the Carnegie Library of Pittsburgh.

This Program Revision recommends \$366,000 to maintain Pennsylvania's share of the program costs and defray the costs of one-time expenses. Increased funding will be used to purchase compact shelving, a substantial collection of additional large print books and descriptive videos, and mailing containers. In addition, funding will be used to upgrade the current circulation systems and ensure they will be Year 2000 compliant.

The public library system is a valuable resource of information, education and recreation. This Program Revision demonstrates Pennsylvania's recognition of the importance of this resource to the Commonwealth and enhances public library services as we move into the 21st century.



Program Revision: Investing in Pennsylvania's Public Libraries (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Per capita Quality Libraries Aid							
Current	\$.60	\$.60	\$.60	\$.62	\$.64	\$.66	\$.68
Program Revision	0	0	\$ 1.33	\$ 1.74	\$ 1.74	\$ 1.74	\$ 1.74
Incentive to leverage local support —							
State amount per local dollar							
Current	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
Program Revision	0	0	\$ 0.61	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 17,000	Improvement of Library Services —to provide enhanced support for local library operating budgets and to create stronger incentives for local governments to invest in their public libraries.	\$ 366	Library Services for the Visually Impaired and Disabled —to maintain Pennsylvania's share of program costs and to upgrade the circulation systems to ensure they are Year 2000 compliant.
		\$ 17,366	<i>Program Revision Total</i>

Recommended Program Revision Costs by Appropriation: (Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Improvement of Library Services	\$ 0	\$ 0	\$ 17,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000
Library Services for the Visually Impaired and Disabled	0	0	366	96	96	96	96
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 17,366	\$ 32,096	\$ 32,096	\$ 32,096	\$ 32,096

PROGRAM OBJECTIVE: To fulfill Pennsylvania's requirements for graduates of higher education programs, to respond to the demands of students for higher education and to support the public institutions providing those programs.

Program: Higher Education

Higher education in Pennsylvania is provided through 236 degree-granting institutions which include the State System of Higher Education, the four State-related universities, the community colleges, the Commonwealth's independent colleges and universities, and specialized degree-granting institutions.

Funding for these institutions is through direct grant appropriations and, for most of the independent sector, through the Institutional Assistance Grants and student support programs of the Pennsylvania Higher Education Assistance Agency.

Table 1
Full-Time Equivalent Enrollments at State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
State System of Higher Education	87,286	88,017	88,669	89,383	89,990	90,603	91,237
Community Colleges	63,913	65,683	66,941	68,394	69,688	70,726	71,742
State-related Universities	127,822	128,920	129,181	129,503	129,770	129,740	129,709
Non-State related Universities & Colleges ...	33,608	34,792	35,801	36,607	37,142	37,388	37,479
TOTAL	312,629	317,412	320,592	323,887	326,590	328,457	330,167

Program Element: State System of Higher Education

Funding for the 14 universities of the State System of Higher Education is distributed through the Chancellor's Office to the individual universities in accordance with a formula that considers the enrollment and programs of the school and the cost of operating and maintaining the individual campuses. While all the universities provide a broad liberal arts curriculum, each has a specific mission — health sciences, business, technologies, etc. All of the universities provide teacher preparation programs. Also, most offer the master's degree level in some of their programs.

Program Element: Community Colleges

Funding for the community colleges is shared by sponsoring counties or school districts, the students through tuition payments and the Commonwealth. Commonwealth appropriations are based on a formula that considers the number of students enrolled, the number of students in

each of several technical programs for which additional stipends are paid to recognize the high cost of those programs and the capital costs of the colleges. The colleges offer two-year liberal arts curricula for transfer to other institutions and two-year programs in technologies or other vocational areas that culminate in an associate degree or certificate. They also offer non-credit programs such as public safety, or for the improvement of personal and professional skills.

Program Element: 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 their educational programs. The first three of these Commonwealth universities are major research universities; they provide programs to the doctoral level in the arts and sciences and professional schools in the medical and legal fields.

Program: Higher Education (continued)

Program Element: Enrollment and Degree Programs

Although the population of college age students is declining, the effect of the decline on enrollment is offset by increases in the participation rates of traditional college age students, older students and part-time students. For example, 70 percent of high school graduates planned to attend postsecondary institutions in 1997, up from 56 percent in 1987. Full-time equivalent enrollment in State-supported institutions is expected to increase by

approximately one percent annually over the next six years, although the increase varies among institution category.

The Pennsylvania Higher Education Assistance Agency and the Department of Education are working with school districts to disseminate information to students and their parents about the importance of postsecondary education, the choices available to students, the financial aid available and the high school preparation required.

Table 2
State-Supported Institutions FTE Enrollments by Subject Area

Subject Area	Number and Percent of Total	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Percent Change
		Actual	Projected	Projected	Projected	Projected	Projected	Projected	
Agricultural and Natural Resources	# %	4,346 1.39%	4,306 1.36%	4,294 1.34%	4,305 1.33%	4,329 1.33%	4,312 1.31%	4,312 1.31%	-0.78%
Arts and Letters	# %	51,602 16.51%	52,584 16.57%	53,278 16.62%	53,970 16.66%	54,518 16.69%	55,045 16.76%	55,686 16.87%	7.91%
Business, Management and Data Processing	# %	50,086 16.02%	51,101 16.10%	51,634 16.11%	52,169 16.11%	52,740 16.15%	53,004 16.14%	53,234 16.12%	6.29%
Communications and Related Technologies	# %	9,439 3.02%	9,660 3.04%	9,776 3.05%	9,894 3.05%	9,977 3.05%	10,038 3.06%	10,076 3.05%	6.75%
Computer and Information Sciences	# %	8,272 2.65%	8,578 2.70%	8,895 2.77%	9,213 2.84%	9,522 2.92%	9,788 2.98%	9,910 3.00%	19.80%
Education	# %	36,621 11.71%	36,610 11.53%	36,770 11.47%	36,934 11.40%	37,111 11.36%	37,212 11.33%	37,270 11.29%	1.77%
Engineering, Architecture and Environmental Design	# %	17,403 5.57%	17,782 5.60%	18,172 5.67%	18,488 5.71%	18,750 5.74%	18,855 5.74%	18,865 5.71%	8.40%
Engineering Technologies and Related Technologies	# %	8,035 2.57%	8,347 2.63%	8,437 2.63%	8,591 2.65%	8,697 2.66%	8,786 2.67%	8,902 2.70%	10.79%
Health Professions, Health Sciences and Biological Sciences	# %	42,501 13.59%	43,002 13.55%	43,297 13.51%	43,752 13.51%	44,065 13.49%	44,293 13.49%	44,472 13.47%	4.64%
Home Economics, Human Services and Public Affairs	# %	23,145 7.40%	23,368 7.36%	23,421 7.31%	23,631 7.30%	23,711 7.26%	23,740 7.23%	23,799 7.21%	2.83%
Industrial, Repair, Construction and Transport Technologies	# %	2,824 0.90%	3,115 0.98%	3,220 1.00%	3,210 0.99%	3,218 0.99%	3,227 0.98%	3,306 1.00%	17.07%
Law	# %	4,262 1.36%	4,323 1.36%	4,321 1.35%	4,332 1.34%	4,343 1.33%	4,350 1.32%	4,361 1.32%	2.32%
Physical Sciences, Mathematics and Related Technologies	# %	14,235 4.55%	14,244 4.49%	14,304 4.46%	14,369 4.44%	14,416 4.41%	14,441 4.40%	14,464 4.38%	1.61%
Social Sciences, Psychology, Area Studies and Foreign Languages	# %	34,177 10.93%	34,460 10.86%	34,779 10.85%	34,991 10.80%	35,142 10.76%	35,297 10.75%	35,441 10.73%	3.70%
Multi-Interdisciplinary Studies/ Military Sciences	# %	5,681 1.82%	5,932 1.87%	5,994 1.87%	6,038 1.86%	6,051 1.85%	6,069 1.85%	6,069 1.84%	6.83%
TOTAL		312,629	317,412	320,592	323,887	326,590	328,457	330,167	5.61%

Program: Higher Education (continued)

Along with higher education enrollment size, the mix of enrollments by discipline will shape the future of higher education. Table 2 shows projections of enrollment in the State-supported institutions from 1997-98 through 2003-04. A review of fields in which degrees are awarded shows the greatest number of four-year degrees are in Business (including Marketing), Education, Engineering, the Health

Sciences (including Medicine and Nursing), the Social Sciences, and the Arts and Letters programs.

The publicly funded institutions in Pennsylvania graduate over 70,000 students annually with degrees ranging from the two-year associate degree to doctoral and professional degrees. Pennsylvania degree graduates from both public and private institutions total over 100,000 annually.

Table 3
Higher Education Degrees Awarded by State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
State System of Higher Education	17,470	16,805	17,134	17,436	17,555	17,705	17,831
Community Colleges	10,652	10,710	10,842	10,962	11,070	11,160	11,232
State-related Universities	32,564	32,893	33,164	33,397	33,599	33,822	34,031
Non-State related Universities & Colleges...	10,660	10,876	11,099	10,565	11,278	12,599	12,658
TOTAL	71,346	71,284	72,239	72,360	73,502	75,286	75,752

Program Element: Support for Educationally Disadvantaged and Minority Students

Under Act 101 of 1971, the Higher Education Equal Opportunity Program provides grants to colleges for tutorial and counseling services for economically and educationally disadvantaged students to aid them in succeeding in college.

The 1983 agreement between the Department of Education and the Federal Office of Civil Rights provided a five-year plan to enhance Cheyney and Lincoln Universities and increase minority enrollment at the other State System and State-related universities. While that agreement has ended, this budget continues the initiative it began. Funding is included in this subcategory and in the capital budget to further help with the cost of recruiting and retaining minority students. Funds are also provided for an affirmative action program at the State System of Higher Education.

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 heavy. The research 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.

While the University of Pittsburgh and Temple University are also major research universities, The Pennsylvania State University (Penn State) is the primary recipient of direct research funds designated by the Commonwealth to support research in agriculture, engineering, biological and physical sciences, earth and mineral sciences, health and human

services, and other areas. Penn State is the Commonwealth's Federally designated land-grant university and as such has received funds designated for agricultural research since 1901.

The continued State support for organized research is a means of promoting a responsive position on the ever-changing needs of the Commonwealth. In this regard, colleges and universities can play a major role in the economic development of the Commonwealth through the creation of a climate that will attract new high technology industries to the State.

Program Element: Community Service

Public and community services are provided by all sectors of higher education and include short-term courses and workshops and programs in the arts. The bulk of Commonwealth funding in this area supports the Cooperative Extension Service of Penn State. The service offers consultation to any State resident on agricultural or environmental issues. It operates the Agricultural Extension Computer Network which, with a computer in every county extension office, offers a Statewide network of information linked to the resources of the main campus.

Program Element: Support Services

The Department of Education provides leadership and support services to all sectors of higher education. Responsibilities include liaison with the national accrediting agencies, the State Board of Education and other governing boards; policy review and development based on comprehensive planning and research; and implementation of the higher education master plan and the Commonwealth of Pennsylvania plan for equal education opportunity. The agency also provides certificates to those seeking teaching certification in Pennsylvania.

Program: Higher Education (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Community Colleges	\$ 156,713	\$ 166,419	\$ 171,412	\$ 171,412	\$ 171,412	\$ 171,412	\$ 171,412
Community College Technology	5,000	0	0	0	0	0	0
Regional Community Colleges Services	200	500	0	0	0	0	0
Community Colleges — Workforce Development	0	2,000	0	0	0	0	0
Higher Education for the Disadvantaged	7,827	7,828	8,828	8,828	8,828	8,828	8,828
Higher Education of Blind or Deaf Students	52	52	52	52	52	52	52
Higher Education Technology Grants	7,000	7,000	10,000	0	0	0	0
Higher Education Equipment	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Engineering Equipment Grants	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Rural Initiatives	550	1,200	1,025	1,025	1,025	1,025	1,025
Osteopathic Education	750	750	750	750	750	750	750
State System of Higher Education (SSHE)	413,142	426,570	437,233	437,233	437,233	437,233	437,233
Pennsylvania State University	289,716	299,144	306,521	306,521	306,521	306,521	306,521
University of Pittsburgh	153,182	158,205	162,160	162,160	162,160	162,160	162,160
Temple University	154,507	159,487	163,474	163,474	163,474	163,474	163,474
Lincoln University	10,684	11,032	11,307	11,307	11,307	11,307	11,307
Non-State-related Universities and Colleges	69,104	71,840	74,793	72,793	72,793	72,793	72,793
TOTAL GENERAL FUND	\$ 1,275,427	\$ 1,319,027	\$ 1,354,555	\$ 1,342,555	\$ 1,342,555	\$ 1,342,555	\$ 1,342,555
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
State System of Higher Education— Deferred Maintenance (EA)	\$ 8,526	\$ 10,629	\$ 8,326	\$ 8,328	\$ 8,986	\$ 9,820	\$ 10,582





EMERGENCY MANAGEMENT AGENCY

The Pennsylvania Emergency Management 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 in the event of natural and man-made disasters and under enemy attack. The agency also provides loans to volunteer fire, ambulance and rescue companies, and coordinates State fire services. The Emergency Management Agency also administers post-disaster aid to affected localities and citizens.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 80
<p>This Program Revision provides information technology for the management, collection, and dissemination of geospatial data. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total.....	\$ 80



Emergency Management Agency

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 4,719	\$ 5,411 ^a	\$ 5,698
(F)Civil Preparedness.....	2,781	6,800 ^b	3,044
(F)Flash Flood Project - Warning System.....	99	105	105
(F)Hazardous Materials Planning and Training.....	185	350	350
(F)Chemical Preparedness.....	9	100	100
(A)Nuclear Facility.....	80	80	80
(A)Washington County Tire Fire.....	132	0	0
Subtotal.....	\$ 8,005	\$ 12,846	\$ 9,377
State Fire Commissioner.....	1,251	1,993 ^c	1,708
(F)Fire Prevention.....	41	200	200
(A)Fire Academy Fees.....	5	15	15
(A)Arson Fines.....	0	2	2
Subtotal.....	\$ 1,297	\$ 2,210	\$ 1,925
Subtotal - State Funds.....	\$ 5,970	\$ 7,404	\$ 7,406
Subtotal - Federal Funds.....	3,115	7,555	3,799
Subtotal - Augmentations.....	217	97	97
Total - General Government.....	\$ 9,302	\$ 15,056	\$ 11,302
Grants and Subsidies:			
(F)January 1996 Flood Disaster.....	\$ 12,943	\$ 6,390	\$ 1,000
(F)Hazard Mitigation Grants-January 1996 Flood.....	7,642	11,123	2,000
(F)January 1996 Blizzard Disaster.....	438	100	100
(F)Hazard Mitigation Grants 1994 Winter Disaster.....	6,872	4,306	100
(F)1994 Winter Disaster-Public Assistance.....	294	100	100
(F)June 1996 Storm Disaster.....	311	131	50
(F)June 1996 Storm Disaster-Hazard Mitigation.....	0	500	50
(F)July 1996 Storm Disaster - Public Assistance.....	4,007	4,075	500
(F)July 1996 Storm Disaster-Hazard Mitigation.....	1,493	1,797	60
(F)September 1996 Storm Disaster.....	1,743	1,778	100
(F)September 1996 Storm Disaster - Hazard Mitigation.....	552	408	30
(F)November 1996 Storm Disaster.....	627	481	100
(F)November 1996 Floods-Hazard Mitigation.....	277	193	10
April 1997 Storm Disaster (EA).....	29	0	0
May-June 1998 Storm Disaster Relief (EA).....	1,000	0	0
(F)May-June 1998 Storm Disaster - Public Assistance.....	0	3,000	100
May-June 1998 Storm Disaster - Public Assistance (EA).....	0	880	0
(F)May-June 1998 Storm Disaster - Hazard Mitigation.....	0	0	100
December 1998 Drought Disaster Relief (EA).....	0	500	0
Firefighters' Memorial Flag.....	10	10	10
Emergency Weather Radio / Equipment.....	335	0	0
Urban Search and Rescue.....	0	50	50
Transfer to Volunteer Company Loan Fund.....	0	20,000	0
Subtotal - State Funds.....	\$ 1,374	\$ 21,440	\$ 60
Subtotal - Federal Funds.....	37,199	34,382	4,400
Total - Grants and Subsidies.....	\$ 38,573	\$ 55,822	\$ 4,460
STATE FUNDS.....	\$ 7,344	\$ 28,844	\$ 7,466
FEDERAL FUNDS.....	40,314	41,937	8,199
AUGMENTATIONS.....	217	97	97
GENERAL FUND TOTAL.....	\$ 47,875	\$ 70,878	\$ 15,762

Emergency Management Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Emergency Management and Disaster Assistance.....	\$ 2,069	\$ 2,000	\$ 2,139
Radiological Emergency Response Planning.....	446	500	576
Radiation Emergency Response Fund.....	489	500	500
Radiation Transportation Emergency Response Fund.....	39	67	13
GENERAL FUND TOTAL.....	\$ 3,043	\$ 3,067	\$ 3,228
DISASTER RELIEF FUND:			
January 1996 Disaster Bond Proceeds - Mitigation (EA).....	\$ 0	\$ 2,300	\$ 500
January 1996 Disaster Bond Proceeds - Flood (EA).....	0	1,800	400
1996 Disaster Areas-Hazard Mitigation (EA).....	745	150	350
DISASTER RELIEF FUND TOTAL.....	\$ 745	\$ 4,250	\$ 1,250
HAZARDOUS MATERIAL RESPONSE FUND:			
General Operations.....	\$ 134	\$ 187	\$ 117
Hazardous Materials Response Team.....	105	187	117
Grants to Counties.....	1,048	1,313	824
Public and Facilities Owners Education.....	130	187	117
HAZARDOUS MATERIAL RESPONSE FUND TOTAL.....	\$ 1,417	\$ 1,874	\$ 1,175
VOLUNTEER COMPANIES LOAN FUND:			
Volunteer Company Loans.....	\$ 18,976	\$ 22,000	\$ 21,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 7,344	\$ 28,844	\$ 7,466
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	40,314	41,937	8,199
AUGMENTATIONS.....	217	97	97
OTHER FUNDS.....	24,181	31,191	26,653
TOTAL ALL FUNDS.....	\$ 72,056	\$ 102,069	\$ 42,415

^a Includes \$6,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes recommended supplemental appropriation of \$3,500,000.

^c Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

Emergency Management Agency

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
EMERGENCY MANAGEMENT							
GENERAL FUND.....	\$ 6,083	\$ 6,841	\$ 5,748	\$ 5,760	\$ 5,874	\$ 5,990	\$ 6,109
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	40,273	41,737	7,999	6,149	4,899	4,394	3,794
OTHER FUNDS.....	5,417	9,271	5,733	5,182	4,782	4,708	4,759
SUBCATEGORY TOTAL.....	\$ 51,773	\$ 57,849	\$ 19,480	\$ 17,091	\$ 15,555	\$ 15,092	\$ 14,662
FIRE PREVENTION AND SAFETY							
GENERAL FUND.....	\$ 1,261	\$ 22,003	\$ 1,718	\$ 1,752	\$ 1,787	\$ 1,823	\$ 1,859
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	41	200	200	200	200	200	200
OTHER FUNDS.....	18,981	22,017	21,017	21,017	21,017	21,017	21,017
SUBCATEGORY TOTAL.....	\$ 20,283	\$ 44,220	\$ 22,935	\$ 22,969	\$ 23,004	\$ 23,040	\$ 23,076
ALL PROGRAMS:							
GENERAL FUND.....	\$ 7,344	\$ 28,844	\$ 7,466	\$ 7,512	\$ 7,661	\$ 7,813	\$ 7,968
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	40,314	41,937	8,199	6,349	5,099	4,594	3,994
OTHER FUNDS.....	24,398	31,288	26,750	26,199	25,799	25,725	25,776
DEPARTMENT TOTAL.....	\$ 72,056	\$ 102,069	\$ 42,415	\$ 40,060	\$ 38,559	\$ 38,132	\$ 37,738

Emergency Management Agency

PROGRAM OBJECTIVE: To develop and maintain a Statewide emergency force capable of immediate and effective action in the event of natural, technological or other man-made disasters and rapid organizational expansion to assure civil preparedness for war or resource based emergencies.

Program: Emergency Management

The Pennsylvania Emergency Management Agency (PEMA) has developed a basic organization designed on the National Governors' Association model of comprehensive emergency management. A multi-agency training program 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; alleviating human suffering and hardship resulting from natural and man-made disasters; and expanding rapidly when required in the event of war or other resource based emergencies.

Act 1 of Special Session 2 of 1996 increased the amount of unused appropriated funds available for the Governor to transfer for disaster relief from \$5 million to \$10 million in any one year.

The agency's mission includes programs concerning prison/community safety, 911 program implementation and maintenance, Statewide chemical and nuclear power safety, and hazardous materials transportation.

The Commonwealth's civil preparedness and emergency response capability is provided through the maintenance of a Statewide system, involving 49 counties, to facilitate hazard assessment, emergency planning, warning, and emergency communications. A network for radiation monitoring is provided. To facilitate rapid deployment of resources to protect life and property, an emergency response and command center has been developed. Training and education are provided to county and local entities on an ongoing basis to maintain their civil preparedness and emergency response readiness.

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. The Federal Emergency Management Agency (FEMA) requires annual review and update of emergency operations plans, programs and periodic exercises.

Activities required by the Environmental Protection Agency under the Federal Superfund Amendments and Reauthorization Act (SARA Title III) and the Federal Clean Air Act amendments include upgrading chemical emergency preparedness facility plans. Responsibilities for preparedness involve state and county governments and chemical manufacturers. Agency activities also required by SARA Title III are planning and training activities for compliance with the Hazardous Materials Transportation Uniform Safety Act.

Another area included in this program is that of readiness training at the county and local level as measured through a comprehensive exercise program. This program also includes readiness training at the county and local level accomplished through a comprehensive exercise program. A relatively low-cost, yet extensive and integrated training and testing program, it enhances and measures the ability of county and local forces to provide a comprehensive and coordinated first line of response to emergency conditions.

Federal and State laws mandate conduct of exercise programs. The FEMA requirement calls for a four-year rotation of natural, technological and national security exercises at the State, county and local (over 50,000 population) level annually.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
County/Local Emergency plans developed	3,412	3,464	3,484	3,509	3,534	3,542	3,542
Emergency management training recipients ...	3,168	4,000	4,000	4,200	4,200	4,200	4,200
Emergency management grants	266	267	267	270	270	270	270
Emergency exercise participants	529,237	530,000	530,000	530,000	530,000	530,000	530,000
Responses to Statewide emergency incidents	3,094	3,210	3,450	3,600	3,750	3,900	4,050
Federal disaster funds disbursed (in thousands)	\$37,199	\$34,382	\$4,400	\$2,550	\$1,300	\$795	\$195

Emergency management training recipients have been reduced compared to projections in last year's budget. Fewer courses were offered than had been planned due to Federal funding reductions.

Emergency exercise participants have increased from those shown in last year's budget because schools and hospitals participated for the first time in the annual weather exercise.

The changes in Federal disaster funds disbursed compared to projections in last year's budget reflect the most recent estimates for 1997, 1998 and beyond.

Emergency Management Agency

Program: Emergency Management (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	General Government Operations				May-June 1998 Storm Disaster— Public Assistance (EA)
\$	236	—to continue current program.			
	80	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology for the management, collection and dissemination of geospatial data. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	\$	-880	—nonrecurring State match for Federal funds for disaster relief.
					December 1998 Drought Disaster Relief (EA)
			\$	-500	—nonrecurring State match for disaster relief.
	20	—Initiative — Satellite Warning Network. To upgrade software for the satellite warning network.			
	-321	—nonrecurring costs for 911 program and other projects.			
	272	—new federally required State match for Civil Preparedness Program.			
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\$	287	<i>Appropriation Increase</i>			

Urban Search and Rescue is continued at the current level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 4,719	\$ 5,411	\$ 5,698	\$ 5,710	\$ 5,824	\$ 5,940	\$ 6,059
April 1997 Storm Disaster (EA)	29	0	0	0	0	0	0
May-June 1998 Storm Disaster Relief (EA)	1,000	0	0	0	0	0	0
May-June 1998 Storm Disaster— Public Assistance (EA)	0	880	0	0	0	0	0
December 1998 Drought Disaster Relief (EA)	0	500	0	0	0	0	0
Emergency Weather Radio/Equipment	335	0	0	0	0	0	0
Urban Search and Rescue	0	50	50	50	50	50	50
TOTAL GENERAL FUND	\$ 6,083	\$ 6,841	\$ 5,748	\$ 5,760	\$ 5,874	\$ 5,990	\$ 6,109



Emergency Management Agency

PROGRAM OBJECTIVE: *To minimize the loss of life and property due to fire by developing and maintaining Statewide municipal fire and emergency service capability.*

Program: Fire Prevention and Safety

This program provides operating funds for the Fire Commissioner to coordinate and organize State-level fire safety functions, the administration and operation of the Volunteer Loan Assistance Program, and the administration and operation of the State Fire Academy that provides training classes to paid and volunteer fire personnel.

The State Fire Commissioner is responsible for coordinating Federal, State and private fire safety funds; assisting State agencies in the development of plans related to fire safety; reviewing existing or proposed rules and regulations affecting the safety of Commonwealth citizens; and providing a cost-effective fire-loss management system for the Commonwealth.

Through contacts with government agencies, the business community, consumers and the fire service, the Fire Commissioner's Office renders 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 community.

The State Fire Academy at Lewistown is the foundation for fire training delivery. The academy provides advanced professional development for fire service officers, command personnel, instructors and other specialists engaged in fire prevention and suppression activities; offers a Firefighter Certification Program based on nationally accepted professional standards; acts as the educational hub for all other fire and emergency services

training in Pennsylvania; and serves as the designated Commonwealth government center for hazardous chemical and radioactive material training, providing training for both first responders and certified county hazardous materials response teams. Fire Academy personnel work closely with the community colleges for local level course development, community college and county fire school instructor certification and delivery of local level fire training courses to over 70,000 students a year.

Another area of assistance to the fire fighting, ambulance and rescue community is the Volunteer Company Loan Assistance Program. The purpose of the program is to improve the capabilities of volunteer fire companies, ambulance services and rescue squads by offering low-interest loans (two percent per annum) for establishing or modernizing facilities to house fire fighting apparatus, purchasing new apparatus or equipment for fire fighting, communications and accessory equipment. Priority is given to replacement of outmoded or unsafe equipment and the purchase of additional equipment to meet unusual demand. Under this program, loans of \$15,000 or less are limited to five years, loans between \$15,001 and \$99,000 are limited to 10 years, and loans between \$99,001 up to the maximum of \$200,000 are limited to 15 years. Funding for the loan program is reflected in the financial statement for the Volunteer Companies Loan Fund included in the Special Funds Appendix.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Local fire training graduates	63,500	67,000	70,000	70,000	70,000	70,000	70,000
State Fire Academy graduates	5,500	6,200	6,800	7,400	8,000	8,000	8,000
Volunteer loans granted (in thousands)	\$19,220	\$24,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

Local fire training graduates decreased from last year's budget as a result of minimum class size requirements and supplemental charges levied by a number of community colleges that partner with the Office of the State Fire Commissioner in the Local Level Training Program.

Students completing Fire Academy Resident programs has and is expected to increase in response to the introduction of special training opportunities both at the Lewistown facility and as part of the Academy on the Road program.

The value of volunteer loans granted for 1998-99 is higher than shown in last year's budget because the \$20 million in General Fund monies provided in 1998. This will facilitate the approval process for fire departments that have been waiting for their loans, increasing the number of loans approved in the short-term.



Emergency Management Agency

Program: Fire Prevention and Safety (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	State Fire Commissioner		
\$	117	—to continue current program.	
	33	—expansion of public education programs.	
	-185	—nonrecurring training systems costs.	\$ -20,000
	-250	—nonrecurring projects.	
\$	-285	<i>Appropriation Decrease</i>	
			Transfer to Volunteer Company Loan Fund
			—nonrecurring transfer.

Firefighters Memorial Flag is continued at the current level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
State Fire Commissioner	\$ 1,251	\$ 1,993	\$ 1,708	\$ 1,742	\$ 1,777	\$ 1,813	\$ 1,849
Firefighters Memorial Flag	10	10	10	10	10	10	10
Transfer to Volunteer Company Loan Fund	0	20,000	0	0	0	0	0
TOTAL GENERAL FUND	\$ 1,261	\$ 22,003	\$ 1,718	\$ 1,752	\$ 1,787	\$ 1,823	\$ 1,859



DEPARTMENT OF ENVIRONMENTAL PROTECTION

The Department of Environmental Protection is responsible for enforcing laws and regulations to prevent environmental pollution and degradation and act as a trustee to guarantee the rights of all Pennsylvanians, including future generations, to a clean environment.

The department's presentation includes the Citizens Advisory Council, the Environmental Hearing Board, the Environmental Quality Board, the State Board for Certification of Sewage Enforcement Officers and the State Board for Certification of Sewage Treatment and Waterworks Operators.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds <small>(in thousands)</small>
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 450
	Environmental Program Management.....	50
	Environmental Protection Operations.....	<u>450</u>
	Subtotal.....	\$ 950

This Program Revision provides information technology for: the management, collection and dissemination of geospatial data, base stations, and mobile and portable radio equipment for participation in the Statewide Radio System. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.

Vision for a 21st Century Environment

General Government Operations.....	\$ 819
Environmental Program Management.....	1,112
Office of Pollution Prevention and Compliance Assistance.....	964
Transfer to Environmental Stewardship Fund.....	<u>55,000</u>
Subtotal.....	\$ 57,895

This Program Revision provides funding and makes recommendations for improved land use planning, greater utilization of technology to solve environmental issues and provides resources to expand efforts to remediate existing environmental problems such as acid mine drainage, abandoned wells, watershed restoration, public land stewardship, community conservation and water and sewer infrastructure. A total of \$93.9 million in State, Lottery, Federal and Other funds is provided by this Program Revision across three departments.

Department Total.....	<u>\$ 58,845</u>
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Environmental Protection

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1997-98 1998-99 1999-00
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations.....	\$ 19,697	\$ 21,357 ^a	\$ 18,846
(F)Surface Mine Conservation.....	101	451	250
(F)Surface Mine Control and Reclamation - Laboratories.....	785	922	900
(A)Reimbursement - Laboratory Services.....	2,455	2,998	3,407
(A)Reimbursement - EDP Services.....	5,412	5,236	4,827
(A)Department Services.....	42	125	125
(A)Clean Air Fund.....	50	50	50
(A)Clean Water Fund.....	57	57	57
(A)Solid Waste Abatement Fund.....	115	115	115
(A)Purchasing Card Rebate.....	2	0	0
Subtotal.....	\$ 28,716	\$ 31,311	\$ 28,577
Environmental Hearing Board.....	1,416	1,489 ^b	1,648
(A)Reimbursement for Services.....	8	20	10
Subtotal.....	\$ 1,424	\$ 1,509	\$ 1,658
Cleanup of Scrap Tires.....	1,740	2,000	0
Environmental Program Management.....	31,139	33,123 ^c	39,578
(F)Coastal Zone Management.....	953	1,532	1,532
(F)Construction Management Assistance Grants - Administration.....	246	250	250
(F)Storm Water Permitting Initiative.....	1,131	2,300	2,300
(F)Safe Drinking Water Act - Management.....	2,407	2,800 ^d	2,800
(F)Water Pollution Control Grants - Management.....	1,488	1,600	1,600
(F)Air Pollution Control Grants - Management.....	1,995	2,100	2,100
(F)Surface Mine Conservation.....	3,744	4,084	4,084
(F)Delaware Estuary Management Conference.....	22	0	0
(F)Wetland Protection Fund.....	245	380	380
(F)Training and Education of Underground Coal Miners.....	521	550	550
(F)Radiation Regulation and Monitoring.....	111	130	0
(F)Diagnostic X-Ray Equipment Testing.....	195	330	330
(F)Water Quality Outreach Operator Training.....	33	100	150
(F)Water Quality Management Planning Grants.....	874	1,000	1,000
(F)Small Operators Assistance.....	1,289	1,800	1,600
(F)Wellhead Protection Fund.....	103	250	250
(F)Indoor Radon Abatement.....	390	500	500
(F)Non-Point Source Implementation.....	4,888	6,800	6,800
(F)Hydroelectric Power Conservation Fund.....	42	51	51
(F)Limestone Demonstration.....	12	30	20
(F)Survey Studies.....	187	1,300 ^e	1,450
(F)National Dam Safety Program.....	0	35 ^f	0
(F)National Coastal Wetlands Grant.....	0	165 ^g	0
(F)Bond Forfeiture Reclamation.....	40	55	0
(F)Central Asbestos Notification System.....	50	0	0
(F)Abandoned Mine Reclamation.....	30,914	34,000	34,000
(F)Safe Drinking Water Revolving Fund Administration.....	0	273	0
(A)Payments - Department Services.....	101	100	100
(A)Vehicle Sales.....	0	20	20
(A)Clean Air Fund.....	997	1,715	1,715
(A)Clean Water Fund.....	83	0	0
(A)Reimbursement from Water Pollution Control Revolving Fund.....	444	320	320
(A)Safe Drinking Water Account.....	100	0	0
(A)Solid Waste Abatement.....	534	0	0
(A)Reimbursement - PENNVEST.....	98	138	138
(A)Safe Drinking Water Revolving Fund Administration.....	0	273	273
(R)Sewage Facilities Program Administration - (EA).....	1,114	1,158	1,500
(R)Used Tire Pile Remediation - (EA).....	1,000	1,000	1,000
Subtotal.....	\$ 87,490	\$ 100,262	\$ 106,391

Environmental Protection

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Chesapeake Bay Agricultural Source Abatement.....	2,928	3,122^h	3,199
(F)Chesapeake Bay Pollution Abatement.....	3,848	5,107	5,107
Subtotal.....	<u>\$ 6,776</u>	<u>\$ 8,229</u>	<u>\$ 8,306</u>
Office of Pollution Prevention and Compliance Assistance.....	773	2,075ⁱ	3,065
(F)State Energy Program.....	681	3,917	3,967
(F)Pollution Prevention.....	174	200	200
(F)Heavy Duty Vehicle Program.....	0	200	200
(F)Alternative Fuels.....	126	175	175
(F)Institutional Conservation.....	109	100	0
(F)National Industrial Competitiveness.....	441	877	933
(F)Commercialization Ventures.....	0	3,000	3,000
Subtotal.....	<u>\$ 2,304</u>	<u>\$ 10,544</u>	<u>\$ 11,540</u>
Environmental Protection Operations.....	64,093	70,083^j	70,019
(F)EPA Planning Grant - Administration.....	4,516	6,400	6,400
(F)Water Pollution Control Grants.....	2,595	2,700	2,700
(F)Air Pollution Control Grants.....	2,413	2,600	2,600
(F)Surface Mine Control and Reclamation.....	6,769	7,336	7,336
(F)Construction Management Assistance Grants.....	207	350	350
(F)Safe Drinking Water.....	1,736	1,850	1,850
(F)Oil Pollution Spills Removal.....	51	1,000	1,000
(F)Great Lakes National Program.....	49	75	75
(F)January 1996 Storm Disaster - Disaster Assistance.....	72	0	0
(F)July 1996 Storm Disaster - Disaster Assistance.....	58	0	0
(F)May/June 1998 Storm Disaster - Public Assistance (F)(EA).....	0	54	0
(F)Safe Drinking Water Revolving Fund.....	0	506	0
(F)Emergency Disaster Relief.....	50	120	120
(F)Technical Assistance to Small Systems.....	0	272	3,263
(F)Assistance to State Programs.....	0	1,450	2,073
(F)Local Assistance and Source Water Protection.....	0	1,969	4,360
(A)Clean Air Fund.....	1,650	2,300	2,300
(A)Clean Water Fund.....	80	190	190
(A)Vehicle Sale.....	24	50	50
(A)Reimbursement from Water Pollution Control Revolving Fund.....	1,075	715	715
(A)Safe Drinking Water Account.....	120	240	240
(A)Solid Waste Abatement.....	525	250	250
(A)Reimbursement - PENNVEST.....	353	288	288
(A)Reimbursement - Department Services.....	71	40	40
(A)PADOT ISTEPA Program.....	133	216	216
(A)Safe Drinking Water Revolving Fund.....	0	506	506
Subtotal.....	<u>\$ 86,640</u>	<u>\$ 101,560</u>	<u>\$ 106,941</u>
Safe Water.....	0	6,705	0
Black Fly Control and Research.....	2,799	3,016^k	4,070
(A)County Contributions.....	902	950	850
Subtotal.....	<u>\$ 902</u>	<u>\$ 950</u>	<u>\$ 850</u>
Streamgauging.....	580	0	0
Subtotal - State Funds.....	<u>\$ 125,165</u>	<u>\$ 142,970</u>	<u>\$ 140,425</u>
Subtotal - Federal Funds.....	76,661	104,046	108,606
Subtotal - Augmentations.....	15,431	16,912	16,802
Subtotal - Restricted Revenues.....	2,114	2,158	2,500
Total - General Government.....	<u>\$ 219,371</u>	<u>\$ 266,086</u>	<u>\$ 268,333</u>
Grants and Subsidies:			
Low Level Radioactive Waste Control.....	\$ 575	\$ 425	\$ 0
Flood Control Projects.....	1,762	1,505	1,025
Storm Water Management.....	582	645	1,200



Environmental Protection

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Sewage Facilities Planning Grants.....	1,500	1,950	1,950
Sewage Facilities Enforcement Grants.....	4,000	4,970	5,000
Sewage Treatment Plant Operations Grants.....	41,700	44,000	0
Environmental Stewardship Fund.....	0	0	55,000
Delaware River Master.....	84	87	91
Ohio River Basin Commission.....	13	13	14
Susquehanna River Basin Commission.....	380	600	600
Interstate Commission on the Potomac River.....	37	38	40
Delaware River Basin Commission.....	978	978	1,049
Ohio River Valley Water Sanitation Commission.....	150	155	160
Chesapeake Bay Commission.....	265	295	265
Local Soil and Water District Assistance.....	2,850	2,850	3,100
Interstate Mining Commission.....	20	21	25
Appalachian States Low-Level Waste Compact.....	96	96	0
Small Water System Regionalization.....	247	500	400
Total - Grants and Subsidies.....	\$ 55,239	\$ 59,128	\$ 69,919
STATE FUNDS.....	\$ 180,404	\$ 202,098	\$ 210,344
FEDERAL FUNDS.....	76,661	104,046	108,606
AUGMENTATIONS.....	15,431	16,912	16,802
RESTRICTED REVENUES.....	2,114	2,158	2,500
GENERAL FUND TOTAL.....	\$ 274,610	\$ 325,214	\$ 338,252
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Dirt and Gravel Road.....	\$ 4,000	\$ 4,000	\$ 4,000
MOTOR LICENSE FUND TOTAL.....	\$ 4,000	\$ 4,000	\$ 4,000
OTHER FUNDS:			
GENERAL FUND:			
Safe Drinking Water Account.....	\$ 710	\$ 622	\$ 1,000
Radiation Protection Fund.....	3,928	4,806	4,982
Clean Water Fund.....	1,676	2,317	3,260
Solid Waste Abatement Fund.....	1,925	1,534	2,000
Well Plugging Account.....	238	281	325
Abandoned Well Plugging.....	27	100	175
Orphan Well Plugging.....	144	300	400
Alternative Fuels Incentive Grants.....	1,211	4,700	4,300
Industrial Land Recycling.....	0	22	22
GENERAL FUND TOTAL.....	\$ 9,859	\$ 14,682	\$ 16,464
ACID MINE DRAINAGE ABATEMENT AND TREATMENT FUND:			
Acid Mine Drainage Abatement and Treatment (F).....	\$ 2,207	\$ 4,400	\$ 4,510
CLEAN AIR FUND:			
Major Emission Facilities (EA).....	\$ 19,651	\$ 18,314	\$ 20,473
Mobile and Area Facilities (EA).....	0	7,480	8,265
CLEAN AIR FUND TOTAL.....	\$ 19,651	\$ 25,794	\$ 28,738
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND:			
General Operations (EA).....	\$ 1,740	\$ 2,353	\$ 2,576
Payment of Claims (EA).....	2,000	2,000	2,000

Environmental Protection

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND TOTAL	\$ 3,740	\$ 4,353	\$ 4,576
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Energy Conservation.....	\$ 934	\$ 800	\$ 1,000
ENVIRONMENTAL EDUCATION FUND:			
General Operations (EA).....	\$ 391	\$ 376	\$ 519
HAZARDOUS SITES CLEANUP FUND:			
General Operations (EA).....	\$ 16,636	\$ 16,939	\$ 17,578
Hazardous Sites Cleanup (EA).....	23,743	61,185	45,000
Host Municipality Grants (EA).....	28	300	300
Transfer to Industrial Sites Cleanup Fund (EA).....	12,000	12,000	12,000
Transfer-Industrial Sites Environmental Assessment Fund(EA).....	2,000	2,000	2,000
Small Business Pollution Prevention(EA).....	472	0	4,000
Transfer to Small Business First Fund (EA).....	0	7,500	2,000
Transfer to Environmental Stewardship Fund.....	0	0	15,000
HAZARDOUS SITES CLEANUP FUND TOTAL	\$ 54,879	\$ 99,924	\$ 97,878
LOW LEVEL WASTE FUND:			
General Operations (EA).....	\$ 525	\$ 1,830	\$ 1,107
NON-COAL SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 15	\$ 800	\$ 800
NUTRIENT MANAGEMENT FUND:			
Education, Research and Technical Assistance(EA).....	\$ 604	\$ 1,000	\$ 1,000
RECYCLING FUND:			
Recycling Coordinator Reimbursement (EA).....	\$ 263	\$ 900	\$ 900
Reimbursement for Municipal Inspection (EA).....	249	250	250
Reimburse-Host Municipality Permit Applications Review (EA).....	0	50	50
Administration of Recycling Program (EA).....	1,532	2,286	2,289
County Planning Grants (EA).....	751	1,800	1,000
Municipal Recycling Grants (EA).....	23,708	34,530	25,000
Municipal Recycling Performance Program (EA).....	18,134	26,000	20,000
Public Education/Technical Assistance (EA).....	4,624	9,521	9,110
Waste Tire Reuse (EA).....	689	1,000	1,000
Small Business Pollution Prevention (EA).....	0	2,000	0
Waste Truck Inspectors (EA).....	0	500	500
Tax Credit Transfers (EA).....	0	2,000	2,000
Waste Tire Pile Remediation (EA).....	1,000	1,000	1,000
Forest Lands Beautification Act.....	0	1,500	1,500
Transfer to Environmental Stewardship Fund.....	0	0	15,000
RECYCLING FUND TOTAL	\$ 50,950	\$ 83,337	\$ 79,599
REGIONAL FACILITY SITING FUND:			
General Operations (EA).....	\$ 1,141	\$ 0	\$ 0
REMINING ENVIRONMENTAL ENHANCEMENT FUND:			
Remining and Reclamation Incentives (EA).....	\$ 216	\$ 1,000	\$ 1,000
REMINING FINANCIAL ASSURANCE FUND:			
Remining Financial Assurance (EA).....	\$ 0	\$ 25	\$ 25
STORAGE TANK FUND:			
General Operations (EA).....	\$ 5,520	\$ 5,922	\$ 5,874



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Underground Storage Tanks (F).....	224	221	221
Leaking Underground Storage Tanks (F).....	1,410	2,500	2,500
Transfer to Storage Tank Loan Program.....	0	0	0
STORAGE TANK FUND TOTAL.....	\$ 7,154	\$ 8,643	\$ 8,595
SURFACE MINING CONSERVATION & RECLAMATION FUND:			
General Operations (EA).....	\$ 3,532	\$ 2,589	\$ 2,790
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Environmental Cleanup Program (EA).....	\$ 0	\$ 5,500	\$ 5,500
Pollution Prevention Program (EA).....	50	1,950	1,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 50	\$ 7,450	\$ 6,500
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 180,404	\$ 202,098	\$ 210,344
SPECIAL FUNDS.....	4,000	4,000	4,000
FEDERAL FUNDS.....	76,661	104,046	108,606
AUGMENTATIONS.....	15,431	16,912	16,802
RESTRICTED.....	2,114	2,158	2,500
OTHER FUNDS.....	155,848	257,003	255,101
TOTAL ALL FUNDS.....	\$ 434,458	\$ 586,217	\$ 597,353

^a Includes \$24,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^c Includes \$35,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d Includes recommended supplemental appropriation of \$300,000.

^e Includes recommended supplemental appropriation of \$300,000.

^f Includes recommended supplemental appropriation of \$35,000.

^g Includes recommended supplemental appropriation of \$165,000.

^h Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

ⁱ Includes \$3,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^j Includes \$86,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^k Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^l Although authorized by legislation, no activity is anticipated during the year.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
ENVIRONMENTAL SUPPORT SERVICES							
GENERAL FUND.....	\$ 21,113	\$ 22,846	\$ 20,494	\$ 21,000	\$ 21,433	\$ 21,873	\$ 22,322
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	886	1,373	1,150	1,150	1,150	1,150	1,150
OTHER FUNDS.....	8,141	8,601	8,591	8,763	8,938	9,116	9,297
SUBCATEGORY TOTAL.....	\$ 30,140	\$ 32,820	\$ 30,235	\$ 30,913	\$ 31,521	\$ 32,139	\$ 32,769
ENVIRONMENTAL PROTECTION AND MANAGEMENT							
GENERAL FUND.....	\$ 159,291	\$ 179,252	\$ 189,850	\$ 192,233	\$ 194,648	\$ 197,115	\$ 199,627
SPECIAL FUNDS.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
FEDERAL FUNDS.....	75,775	102,673	107,456	107,248	107,297	107,348	107,400
OTHER FUNDS.....	165,252	267,472	265,812	268,386	272,180	276,560	279,022
SUBCATEGORY TOTAL.....	\$ 404,318	\$ 553,397	\$ 567,118	\$ 571,867	\$ 578,125	\$ 585,023	\$ 590,049
ALL PROGRAMS:							
GENERAL FUND.....	\$ 180,404	\$ 202,098	\$ 210,344	\$ 213,233	\$ 216,081	\$ 218,988	\$ 221,949
SPECIAL FUNDS.....	4,000	4,000	4,000	4,000	4,000	4,000	4,000
FEDERAL FUNDS.....	76,661	104,046	108,606	108,398	108,447	108,498	108,550
OTHER FUNDS.....	173,393	276,073	274,403	277,149	281,118	285,676	288,319
DEPARTMENT TOTAL.....	\$ 434,458	\$ 586,217	\$ 597,353	\$ 602,780	\$ 609,646	\$ 617,162	\$ 622,818

Environmental Protection

PROGRAM OBJECTIVE: To provide administrative and technical support for the Commonwealth's environmental protection programs.

Program: Environmental Support Services

This program provides the administrative and technical systems which 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, the Environmental Quality Board and the Bureau of Laboratories. The Bureau of Laboratories provides analytical data which determines and identifies pollution levels in samples from any part of the environment. Samples from streams and lakes, solid wastes, drinking water, industrial wastes and fish are analyzed for toxic chemicals. Milk, food, water and air are examined for radiation. Water from supply systems, beaches and sewage treatment plants is examined for bacteria; and homeowners' water is examined for potability. Recently,

the Environmental Protection Agency expanded its environmental laboratory accreditation requirements to adhere to the standards for operation developed by the National Environmental Laboratory Accreditation Conference. This is expected to impact laboratory operations during the 1999-2000 fiscal year as each piece of data will undergo additional quality assurance measures.

The Environmental Hearing Board was separated from the previous Department of Environmental Resources by Act 94 of 1988. The 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 Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Laboratory Analyses Supporting Programs							
Mining	439,580	440,000	440,000	440,000	440,000	440,000	440,000
Air	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Water	147,700	148,000	148,000	148,000	148,000	148,000	148,000
Waste Management	74,138	74,000	75,000	75,000	75,000	75,000	75,000
Safe Drinking Water	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Radiation Protection	3,867	3,900	3,900	3,900	3,900	3,900	3,900
Other	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Total	753,285	753,900	754,900	754,900	754,900	754,900	754,900

Laboratory analyses increase from the projections shown in last year's budget because of a more recent count of actual tests conducted. These tests verify that quality assurance standards are being met.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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\$	707	General Government Operations —to continue current program.	-4,487	—Initiative — Laboratory Billing. Redirection of funding for laboratory billings to ensure total cost reimbursement from programs that use laboratory services. Funding is redirected to the Environmental Program Management appropriation.
	450	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology for the management, collection and dissemination of geospatial data. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.	\$ -2,511	<i>Appropriation Decrease</i>
	819	—PRR — Vision for a 21st Century Environment. This Program Revision provides resources to enable permit-holders to electronically submit information. In addition, it establishes, with the Department of Aging, the Senior Environmental Corps, a group of non-profit senior volunteers to participate in citizen monitoring activities. See the Program Revision following the Environmental Protection and Management Program for additional information.	\$ 36 123 \$ 159	Environmental Hearing Board —to continue current program. —to provide full year funding for fifth Board member and staff. <i>Appropriation Increase</i>

Program: Environmental Support Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 19,697	\$ 21,357	\$ 18,846	\$ 19,319	\$ 19,718	\$ 20,124	\$ 20,538
Environmental Hearing Board	1,416	1,489	1,648	1,681	1,715	1,749	1,784
TOTAL GENERAL FUND	\$ 21,113	\$ 22,846	\$ 20,494	\$ 21,000	\$ 21,433	\$ 21,873	\$ 22,322



PROGRAM OBJECTIVE: To protect and improve the quality of the air, water and environment for the health and safety of the citizens of the Commonwealth, to protect the 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 which insures against their undue destruction and depletion while allowing economic benefits from their use.

Program: Environmental Protection and Management

This program encompasses the major program elements that protect the health and safety of the citizens of the Commonwealth as well as the quality of their environment. While protection of citizens and the environment is the highest priority, the Commonwealth's economic health and development are also major concerns.

Program Element: Air Quality

Emissions of air contaminants from existing and future sources must be closely monitored and controlled by the Department of Environmental Protection in order to improve air quality as mandated by the Federal Clean Air Act. The goal of these activities is to achieve the best air quality and meet State implementation requirements while providing for industrial growth and environmentally sound energy utilization.

Monitoring air quality occurs at two levels. Ambient (outside) monitoring measures overall air quality in an area. The Commonwealth maintains a network of approximately 80 ambient monitoring sites. Sites are chosen primarily for their proximity to populated areas in order to determine the air quality where the greatest number of people is affected. Source monitoring, by both operators and mobile teams from the department, is used to check individual sources of emissions. In addition, certain large facilities are required to have instruments installed that continuously monitor emissions, minimizing the risk of accidental release of large amounts of pollutants.

Permits and inspections are the primary regulatory means for ensuring that sources of emissions are designed, constructed and operated within air quality regulations. The department must approve plans for new construction or modification of existing facilities before enhancements are made. Inspections are conducted to assure the facility has conformed to approved designs before permits are issued. In addition, on-site inspections are conducted to investigate complaints, initiate enforcement actions and to provide assistance during emergencies. The department uses compliance agreements and abatement orders to correct violations of air emission standards.

A program governing the removal of asbestos from public buildings is also included in air quality. As required by Federal regulations, the department reviews plans for the management of asbestos in schools, regulates companies doing removal work, and oversees the safe disposal of the asbestos.

Program Element: Water Quality Protection

The objective of the Water Quality Protection program is to protect the health, safety and well-being of the public through the administration of environmental protection and pollution prevention programs focused on enhancing and maintaining the Commonwealth's water quality. Chronic surface and groundwater pollution problems in Pennsylvania originate from a variety of sources and are classified into two general categories: point and non-point sources. Point sources are those in which the polluting substances are conveyed into a body of water by a pipe or channel, most commonly sewage discharges, industrial waste discharges, and storm or combined sewage drainage. Non-point sources are generally diffused discharges, such as polluted groundwater, drainage from abandoned mines and agricultural runoff.

Through its planning, permitting, surveillance and monitoring, enforcement and grants administration activities, the department carries out its duties and responsibilities for regulating water pollution control facilities and maintaining a Statewide surface and groundwater quality monitoring program. In addition, the National Pollutant Discharge Elimination System (NPDES), a delegated Federal program under the Clean Water Act, has increased the responsibilities of the Commonwealth to permit and monitor beyond the requirements of State law including requirements for permitting stormwater discharges and combined sewer overflows. The program also reviews plans for facilities and assists local governments in accommodating growth and development. Pennsylvania's 66 county conservation districts have been delegated authority for local administration of several of the water quality protection programs such as erosion and sedimentation control, wetlands and stream encroachments, agricultural application of sewage sludge and dirt and gravel road maintenance. This program provides management, technical, administrative and financial support to the districts in these efforts.

Program Element: Water Supply Management

The major portion of Water Supply Management is concerned with providing the citizens of the Commonwealth with safe, clean drinking water by regulating public water systems. These systems provide drinking water to the majority of citizens of the Commonwealth. There are about 2,250 community water systems in the Commonwealth

Program: Environmental Protection and Management (continued)

servicing 10 million residents and 8,325 non-community water systems generally serving restaurants, industries, schools and motels which must comply with standards. The department also provides some consultative services and inspections for the 700,000 domestic water supplies (residential wells) in Pennsylvania. Regulatory activities involve permitting and compliance, contaminant investigation and control, public education, and consultative services and inspections. A Small Systems Assistance Act, signed in 1992, established technical and management assistance programs and grants to study regionalization alternatives for small systems. As a result of this act, the department has entered an agreement to provide \$1.2 million in grants to fund 32 small system regionalization studies. The department is also actively working to award grants to local sponsors in several additional study areas.

As a result of amendments to the Federal Safe Drinking Water Act in 1996, many of the activities of this program are receiving increased emphasis. These amendments also created the Safe Drinking Water State Revolving Fund, which is being used to increase State technical assistance and regulation.

The Black Fly Control Program, by treating 1,500 stream miles of the Susquehanna, Delaware and Allegheny rivers and their major tributaries, reduces the black fly population and gives relief to the citizens and visitors of the Commonwealth. During the 1998 spray season, 29 counties participated in the black fly suppression effort with an impact on 3.5 million residents. Two additional counties are expected to request participation for the 1999 spray season.

Program Element: Municipal and Residual Waste

The primary focus of the Municipal and Residual Waste program is to encourage reduction in the amount of wastes produced, to maximize recycling and reuse of waste products and to assure the disposal of the remainder. For years, Pennsylvania relied on landfilling for management of 95 percent of its 9 million tons of municipal waste, while incinerating four percent and recycling only one percent. Implementation of Act 101 of 1988, the Municipal Waste Planning and Recycling Act, shifted this balance by requiring mandatory recycling in 408 communities. Under Act 101, counties have adopted waste management plans. Municipalities have implemented recycling programs. Communities in which landfills or waste-to-energy facilities are located have taken an active role in permitting and inspecting landfills and facilities to assure that these are being operated in a proper manner. In addition, host communities receive money from a tipping fee to use in any way they wish. The department regulates new and existing landfills to ensure that they are designed, constructed and operated with minimal risk to nearby residents and to the environment. In 1996, Pennsylvania exceeded the goal set by Act 101 by recycling more than

25 percent of its municipal waste. As a result, the goal for recycling of its municipal waste has been raised to 35% by the year 2003.

Act 93 of 1988 requires the regulation and control of the disposal of infectious (hospital) wastes. To do this, a manifest system tracks this waste from generation until disposal and a system of inspections assures proper handling of infectious waste. Overall management is guided by regulations and a Statewide plan to address present and future needs for incineration and disposal.

Residual waste is non-hazardous material from industrial, mining, commercial and other similar operations. Over 58 million tons are generated annually. A comprehensive set of new regulations for residual waste disposal sites was implemented in July 1992. These regulations required residual waste facilities to be permitted or re-permitted. Many have chosen to close, requiring the department to approve closure plans and inspections to assure that closures are done in an environmentally sound manner. In 1997, the regulations were amended to reduce reporting requirements by up to 50 percent, saving resources at the state and local government level as well as for the private sector.

Program Element: Hazardous Waste

Hazardous waste management in Pennsylvania consists of regulating the ongoing generation, transportation, treatment, recycling and disposal of hazardous waste plus overseeing the cleanup of improper sites. Generators and transporters of hazardous waste are licensed and all treatment, recycling and disposal operations are permitted. Through a manifest system, the movement of waste is tracked from generation to ultimate treatment or disposal.

The focus of Pennsylvania's cleanup programs has matured from participation in the lengthy and costly Federal Superfund program to the more streamlined State Hazardous Sites Cleanup Program that actively promotes voluntary cleanups by private entities. Movement of wastes is tracked through a manifest system, which follows the shipment from generation to ultimate treatment or disposal. A state-of-the-art optical imaging system enables the department to process manifest and report data, store optical images of documents, identify discrepancies and develop reports. Approximately 250,000 manifests are processed each year. Currently the department is actively involved at over 100 Superfund sites and 24 State Hazardous Sites Cleanup Program sites.

The department will finalize comprehensive revisions to its hazardous waste regulations to make them consistent with the Federal requirements during the 1999-2000 fiscal year.

Program Element: Land Recycling Program

Pennsylvania's Land Recycling Program is designed to promote partnerships among local businesses, government, financial institutions, local communities and the Department



Program: Environmental Protection and Management (continued)

of Environmental Protection to restore contaminated sites to safe and productive uses. Three statutes were passed in 1995 to make contaminated sites safe, return sites to productive use and preserve farmland and greenspace. Collectively, these statutes are referred to as the Land Recycling Program, and are comprised of: Act 2, the Land Recycling and Environmental Remediation Standards Act; Act 3, the Economic Development Agency, Fiduciary and Lender Environmental Liability Act; and Act 4, the Industrial Sites Environmental Assessment Act. Cleanup standards under Act 2 fall into three broad categories: Background, Statewide Health, and Site-Specific. A Cleanup Standards Science Advisory Board has been established to assist the department in publicizing science-based standards and cleanup regulations.

The land recycling program identifies risk-based standards for cleanup, simplifying the approval process and limiting future liability when cleanup standards are achieved. Grants and loans are available to help finance environmental assessments and site cleanups. The reuse of old industrial sites provide economic and environmental benefits.

Program Element: Regulation of Mining

The purpose of Regulation of Mining is to ensure the wise use of Pennsylvania's mineral resources and to prevent adverse impacts of mining on the public and the environment. This includes active mining for coal and other minerals, oil and gas well drilling, deep mine safety, mine subsidence and reclamation of abandoned mines.

Relating to the coal industry, regulatory activities are designed to ensure proper land reclamation, prevent water and air pollution and protect the health and safety of the public. On July 31, 1982, Pennsylvania was designated as the primary agent for administering the Federal Surface Mining Conservation and Reclamation Act (SMCRA). The SMCRA established a comprehensive set of performance standards for mining and reclamation of surface coal mines, underground coal mines, coal refuse disposal, and coal preparation facilities and for controlling mine subsidence and the use of explosives on surface coal mines. Pennsylvania is required to follow a mandatory enforcement and civil penalty program imposed by SMCRA, and inspect each mining operation violator monthly until reclamation is achieved.

The Small Operator Assistance program (SOAP) collects information for use in mine permit applications filed by operators who mine 300,000 tons or less per year. Consultants collect the data and provide reports to the department and to the small operators. The report is used by the operator in the permit application. The department pays for the report using Federal grant money. The Remining Operator Assistance Program (ROAP) is a state funded program that provides assistance to coal operators who mine and reclaim abandoned mine lands by paying

for the cost of data collected and analysis necessary for an operator to obtain permits for remining.

In addition to the environmental regulatory, inspection and compliance activities, the Regulation of Mining is concerned with the safety of mine operations and the safety training of miners. The Bureau of Deep Mine Safety conducts mine safety training programs to minimize the number of accidents. The bureau also directs the certification requirements for underground mine workers thereby influencing the type and degree of expertise of personnel working underground.

The Bureau of Oil and Gas Management is responsible for administering laws and regulations covering the oil and gas industry in Pennsylvania. Through a permitting system for drilling activity, inspecting drilling and storage sites, and monitoring and enforcement actions, the bureau works toward protecting the environment and balancing conflicting interests of the oil, gas and coal industries.

Another aspect of the Regulation of Mining program is to resolve environmental degradation and health and safety problems resulting from inactive and abandoned coal mines. This includes the reclamation of abandoned mines, abatement and treatment of acid mine drainage, control of underground mine fires and refuse bank fires, and control of surface subsidence from abandoned deep mines.

The mining program also offers mine subsidence insurance to residential and small commercial owners of property and private structures. This insurance program is directed by the Coal and Clay Mine Subsidence Insurance Board. A special fund is administered by the board in which premium and investment income are deposited and from which insurance claims and costs are paid. The growth in the number and value of policies has steadily increased since the beginning of the fund. With increasing property values and public awareness, this trend is expected to continue. A cash flow statement for this fund is included in the Special Funds Appendix.

Program Element: Radiation Protection

Radiation Protection utilizes several means to protect citizens from exposure to dangerous levels of radiation. One is the regulation, licensing and inspection of radiation source users. This involves registration of radiation producing equipment, licensing of users of radioactive materials and inspection of facilities to assure compliance with regulations.

The department also monitors the environment for radiation. This is done primarily in the vicinity of major users of radioactive materials, such as nuclear power plants. Ambient air, milk produced on local farms, surface waters, vegetation, fish and silt samples are collected and tested at regular intervals. The radon surveillance and action program is also part of this activity, measuring levels in private dwellings, advising owners on remedial actions they can take, and conducting research for effective solutions.

Program: Environmental Protection and Management (continued)

The department certifies radon testing and mitigation firms to protect the public from inaccurate test results and ineffective construction or remedial techniques.

Another protection activity is the routine inspection and oversight of nuclear power generating facilities in the Commonwealth. These are: Beaver Valley Power Station, Limerick Generating Station, Peach Bottom Atomic Power Station, Susquehanna Steam Electric Station and Three Mile Island Nuclear Station. An agreement with the U.S. Nuclear Regulatory Commission (NRC) allows State nuclear engineers to review and evaluate plant design and operations, participate in any NRC hearings and participate in routine NRC inspections.

Radiation Protection is also involved in protecting the citizens of Pennsylvania in the event of accidents involving radioactive materials at power plants and other facilities utilizing radioactive materials.

Safe disposal of low-level radioactive waste, including contaminated filters, gloves and clothing from hospitals, industries and university research centers, is also a part of the radiation protection program. (Spent nuclear fuel and similar highly radioactive materials are not included.) The Appalachian Low-Level Radioactive Waste Compact (Act 120 of 1985) committed Pennsylvania to establish a low-level radioactive waste (LLRW) disposal site for the four states in the compact—Delaware, Maryland, West Virginia and Pennsylvania. The Low-Level Radioactive Waste Disposal Act (Act 12 of 1988) establishes the criteria for the selection of a site, operation of a facility and transportation of wastes to the site.

In 1998, the department suspended the siting process after discussing the issue with its Low-Level Waste Advisory Committee and the Appalachian Compact Commission. Suspension of the process was the result of the dramatic reduction in the volume of LLRW being generated in the Appalachian Compact and the availability of out-of-state disposal capacity. The department plans to develop a siting re-start plan and monitor national LLRW disposal developments to insure disposal capacity will continue to be available to generators of LLRW in the Appalachian Compact. The department will also continue to promote LLRW volume reduction during the suspension period.

Program Element: Waterways Engineering

The objective of the Waterways Engineering program is to investigate, determine feasibility, design and construct flood protection and stream improvement projects in Pennsylvania and to ensure the safety of major dams.

The Dam Safety and Encroachments Act (Act 325 of 1979) authorizes the department's regulation of dams and reservoirs to protect life, property and the environment. This involves the review of plans and specifications which accompany an application for a dam permit, the field inspection of construction of new dams, and inspection of existing dams to determine their general condition. There are approximately 3,200 dams under active permits in the

Commonwealth. Of this total, there are 800 high-hazard dams and 2,400 additional dams that require inspection and monitoring. The high-hazard dams are inspected annually to assure proper operation and maintenance because of the significant threat posed by their possible failure. In addition, the department regulates the construction and maintenance of any obstructions, encroachments and changes to the course and current of streams, as well as the related flood plains.

This program, in existence for over 50 years, involves the tangible efforts of flood protection through the construction of physical structures such as dams, levees, walls, channels, culverts, etc. that eliminate imminent threats to habitable structures and rehabilitate flood damaged stream channels. The program provides long term relief through projects requiring extensive and permanent protective works and short term relief by the removal of channel blockage, bedload debris and streambank stabilization.

Program Element: Watershed Conservation

The objective of Watershed Conservation is to maintain and enhance the quality of Pennsylvania's water resources through comprehensive watershed management so that public health and safety is protected and natural aquatic systems are sustained. Specific activities designed to achieve these objectives include: monitoring and assessing surface water quality; developing water quality standards; managing nonpoint pollution source problems; improving citizen volunteer monitoring programs; planning water resources use; regulating allocation of surface waters; managing excess stormwater runoff; protecting coastal zone resources; and regulating above and below ground storage tanks.

Water quality assessments have been collected for 12,902 miles of streams in the Commonwealth. A total of 8,495 stream miles were assessed as supporting the Federal "fishable/swimmable" goal and the fish and aquatic life use designated in Pennsylvania's water quality standards.

There are 356 storm water management watersheds in the Commonwealth. Of this total, 58 plans involving 42 counties and 569 municipalities have been completed. An additional 23 plans are underway with 21 counties that will involve an additional 239 municipalities.

A 1998 assessment of water quality problems reported that 408 miles out of the 12,902 miles of streams assessed were being impacted by point sources and about 3,768 miles by nonpoint sources. The major nonpoint source impacts were caused by abandoned mine drainage (1,764 miles) and agriculture (1,328 miles).

The Commonwealth has more than 60,000 regulated aboveground and underground storage tanks and many thousands more which are unregulated. Emphasis is being placed on upgrading of existing underground storage tanks to meet new Federal tank standards effective December 22, 1998.



Program: Environmental Protection and Management (continued)

Program Element: Pollution Prevention and Compliance Assistance

The Office of Pollution Prevention and Compliance Assistance (OPPCA) was established in 1996 to encourage firms, other State agencies, and local governments to integrate environmental management practices and pollution prevention/energy efficiency strategies into their management decisions for the purpose of reducing costs and lessening environmental impacts. Combining energy efficiency with pollution prevention programs is a key component in enhancing Pennsylvania's new approach to "go beyond compliance" with environmental regulations and focus more on pollution abatement and energy conservation. This program also focuses on cultivating the use of green technologies in the Commonwealth and marketing these Pennsylvania technologies nationwide and abroad. Pennsylvania's environmental industry generates approximately \$7 billion in annual sales, making it a leader in the United States' estimated \$134 billion environmental industry. The OPPCA is a major player in the Multi-State Working Group on Environmental Management Systems. This group of 12 states, Environmental Protection Agency (EPA) representatives, businesses, universities and public interests is collecting information on companies' environmental management systems to place on a national database. The database will be used to evaluate the effectiveness of the environmental management systems and to identify their role in future environmental programs and policies.

Act 122 of 1986 established the Energy Conservation and Assistance Fund (ECAAF) as a repository for all oil overcharge settlements. The act, as amended in 1987, provides a framework for determining allowable expenditures from the fund in accordance with the requirements of the

terms and conditions of oil overcharge settlement agreements.

The Pennsylvania Supplemental Low-Income Energy Assistance Program offers energy assistance to low-income Pennsylvanians. The act states that at least 75 percent of the total appropriations are to be spent for this type of supplemental program. The remaining 25 percent of the funds is used to supplement the Federal energy programs and other energy conservation and development projects.

The State Energy Program (SEP) is a Federal program that provides funding to promote energy efficiency and pollution prevention. The program specifically addresses issues related to transportation, industry/commercial, building/residential, and state and local government sectors. The SEP programs range from a Pollution Prevention/Energy Efficiency Conference that yields a wealth of technology transfer opportunities to the Governor's Green Government Council which commits the Commonwealth to set an example for the community in taking the lead in reducing operating costs in areas such as energy efficiency, cleaner fleet vehicles and recycling.

Act 166 of 1992 provided for an alternative fuels grant program to be funded by a portion of the Utilities Gross Receipts Tax. The grants to school districts, municipal authorities, political subdivisions and other nonprofit entities are to fund a portion of the expenses incurred to retrofit vehicles to operate using alternative fuels or the additional costs incurred in purchasing vehicles manufactured specifically to operate on fuels other than gasoline. In addition, grants are to partially fund the cost to install equipment necessary to refuel the modified vehicles. The applicable percentage of funding available for 1999-2000 is 30% of the total project cost.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Air Quality							
Air emission operating permits in effect	4,000	3,000	2,500	2,500	2,500	2,500	2,500
Air emission inspections performed	10,500	11,000	11,000	11,000	11,000	11,000	11,000
Emission inspections performed decrease from the projections shown in last year's budget because of the time it takes to perform major emission facilities (Title V) inspections versus mobile and area facilities (non-Title V) inspections. Although the same effort in work hours did not change, more major emission facilities inspections were conducted, resulting in fewer inspected units.							
Water Quality Protection							
Sewage and industrial waste discharge inspections	4,690	4,250	4,000	4,000	4,000	4,000	4,000
Permits issued for water pollution control facilities	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enforcement actions	150	150	150	150	150	150	150

Sewage and industrial waste discharge inspections decrease from the projections shown in last year's budget because more emphasis is being placed on non-point sources of pollution for compliance efforts. Regions will use a compliance reporting system to prioritize facilities to be inspected.

Environmental Protection

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Water Supply Management							
Residents of areas in Black Fly Suppression Program	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Inspections of public drinking water supplies ..	2,865	3,000	3,000	3,000	3,000	3,000	3,000
Community water systems complying with reporting requirements.	80%	80%	80%	80%	80%	80%	80%
Non-community water systems complying with reporting requirements.	85%	85%	85%	85%	85%	85%	85%
Municipal and Residual Waste							
Municipal and residual waste facilities permitted	500	500	500	500	500	500	500
Percent of municipal waste diverted from landfills*	56%	56%	56%	56%	56%	56%	56%

*The percent of municipal waste disposal by methods other than landfills is changed to the percent of municipal waste diverted from landfills to clarify that alternate disposal methods and recycled waste are counted. Total waste generated in 1997-98 was down while the portion not landfilled was up, resulting in the percentage increase.

Hazardous Waste							
Hazardous waste inspections performed	1,507	1,250	1,250	1,250	1,250	1,250	1,250
Hazardous waste sites permitted and licensed under Act 108	152	150	150	150	150	150	150

Hazardous waste inspections performed increase from the projections shown in last year's budget because of the increased number of pollution prevention visits, combined with auto body repair shops being named as the targeted industry for the 97-98 fiscal year. Auto body shops are plentiful, located in clusters and quickly inspected.

Land Recycling Program							
Industrial sites participating in the program	530	750	900	1,000	1,075	1,125	1,150
Industrial sites remediated	267	375	450	500	540	565	575

Industrial sites participating in the program decrease from the projections shown in last year's budget because only those sites which have sent a notice of participation to the department are included. This number is driven by the number of landowners responding and may vary from year to year. There is no requirement for landowners to notify the department that they will participate in land recycling of industrial sites.

Regulation of Mining							
Mine permit actions:							
Coal	1,134	1,300	1,250	1,250	1,250	1,250	1,250
Non-coal	410	420	420	420	420	420	420
Inspections:							
Complete coal inspections	9,202	9,200	9,150	9,100	9,100	9,100	9,100
Partial coal inspections	15,633	15,500	15,400	15,400	15,300	15,200	15,100
Non-coal inspections	4,809	4,850	4,850	4,850	4,850	4,850	4,850
Oil and gas field inspections	10,500	9,000	9,000	9,000	9,000	9,000	9,000
Mining compliance orders issued	1,014	1,000	900	800	800	515	500
Mine substance insurance policies in effect ...	44,319	46,500	48,000	52,000	56,000	60,000	60,000
Employees trained in mine safety	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Abandoned mine sites designated as potential safety problems							
Acres of coal mining lands reclaimed	18,877	18,000	17,500	17,000	16,500	16,000	15,500
Acres of coal mining lands declared forfeited .	240	250	250	200	200	200	200

Coal and non-coal mine permit actions are demand driven and may vary from year to year. Coal inspections decreased from those shown in last year's budget due to a reduction in the number of mine sites required to be inspected. Abandoned mine sites designated as potential safety problems decreased from those shown in last year's budget because of the latest estimate of potential problem sites.



Environmental Protection

Program: Environmental Protection and Management (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Radiation Protection							
Radiation user inspections performed	2,400	2,200	2,300	2,300	2,300	2,300	2,300
Users brought into compliance through inspections	170	290	340	340	340	340	340
Nuclear plant off-site samples	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Cubic feet of low-level radioactive waste generated in Pennsylvania	30,000	30,000	30,000	30,000	30,000	30,000	30,000

Radiation user inspections performed increase from those shown in last year's budget because of the most recent count of inspections conducted. Users brought into compliance decrease from those shown in last year's budget because of the increased effort in outreach programs that resulted in fewer violations.

Cubic feet of low-level radioactive waste generated in Pennsylvania decreased from the projections shown in last year's budget because of innovative methods being used to reduce waste volume.

Waterways Engineering							
Stormwater construction permits issued	1,803	1,500	1,500	1,500	1,500	1,500	1,500
Dam inspections	1,171	1,268	1,280	1,290	1,300	1,300	1,300
Cumulative assessed stream miles attaining designated uses	8,500	8,600	8,710	8,820	8,930	9,050	9,160

Stormwater construction permits issued increased from those shown in last year's budget because of the overall economy. When more funds are available, more construction is planned and implemented, resulting in more issued permits.

Cumulative assessed stream miles attaining designated uses decrease from the projections shown in last year's budget because of more recent data.

Alternative Fuels Incentive Grant Program							
Vehicle conversions/new alternative fuel vehicles	420	360	350	350	350	350	350
Companies introduced to pollution prevention and energy efficiency strategies	185	185	185	185	185	185	185
Businesses and local governments provided with new informational tools for use in reducing the source of pollution	95	100	230	300	410	500	550

Vehicle conversions/new alternative fuel vehicles increase from those shown in last year's budget because of decreased conversion costs (from \$8,000 per vehicle to \$6,000 per vehicle). More vehicles can be converted for the same financial outlay.

Companies introduced to pollution prevention and energy efficiency strategies and in businesses and local governments provided with new informational tools for use in reducing the source of pollution increase from the projections shown in last year's budget because of more trained, efficient regional staff conducting site visits and outreach activities.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -2,000	Cleanup of Scrap Tires —nonrecurring cleanup projects.	50	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for base stations, and mobile and portable radio equipment for agency participation in the Statewide Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.
\$ 786	Environmental Program Management —to continue current programs.		
1,112	—PRR — Vision for a 21st Century Environment. This Program Revision expands testing and verification of new water-quality technologies and provides support for volunteer groups to expand acid mine drainage cleanup efforts. See the Program Revision following this program for additional information.	4,487	—Initiative — Laboratory Billing. Redirection of funding for laboratory billings to ensure total cost reimbursement from programs that use laboratory services. Funding is redirected from the General Government Operations appropriation.
		20	—Initiative — Volunteer Reclamation and Pollution Abatement. To provide resources to encourage volunteer reclamation and water pollution abatement activities.
		\$ 6,455	<i>Appropriation Increase</i>



Environmental Protection

Program: Environmental Protection and Management (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

	Chesapeake Bay Agricultural Source Abatement	\$	-480	—nonrecurring flood control projects.
\$	77 —to continue current programs.			
	Office of Pollution Protection and Compliance Assistance	\$	555	Storm Water Management
\$	26 —to continue current programs.			—to continue current program.
964	—PRR — Vision for a 21st Century Environment. This Program Revision expands support for the Green Government Council for the development of an electronic clearinghouse of information on new and emerging pollution prevention and energy efficiency technology, provides support for new environmental technology verification, and provides support for development of environmental indicators and benchmarks. See the Program Revision following this program for additional information.	\$	30	Sewage Facilities Enforcement Grants
				—to continue current program.
		\$	-44,000	Sewage Treatment Plant Operations Grants
				—this budget recommends elimination of this program and transfers funds to the proposed Environmental Stewardship Fund.
		\$	55,000	Environmental Stewardship Fund
				—PRR — Vision for a 21st Century Environment. This Program Revision provides funding for incentives to communities to adopt sound land use planning practices, preserve open spaces, cleanup and protect watersheds, reclaim abandoned mines and wells, make investments in water and sewage systems and solve environmental problems on public lands. See the Program Revision following this program for additional information.
\$	990 <i>Appropriation Increase</i>			
	Environmental Protection Operations			
\$	386 —to continue current programs.			Delaware River Master
450	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides for base stations, and mobile and portable radio equipment for agency participation in the Statewide Radio System. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.	\$	4	—to continue current level of participation.
		\$	1	Ohio River Basin Commission
				—to continue current level of participation.
40	—Initiative — Volunteer Reclamation and Pollution Abatement. To provide resources to encourage volunteer reclamation and water pollution abatement activities.	\$	2	Interstate Commission on the Potomac River
				—to continue current level of participation.
-940	—nonrecurring relocation of district mining offices.	\$	71	Delaware River Basin Commission
				—to continue current level of participation.
\$	-64 <i>Appropriation Increase</i>	\$	5	Ohio River Valley Sanitation Commission
				—to continue current level of participation.
	Safe Water	\$	-30	Chesapeake Bay Commission
-6,705	—nonrecurring safe water projects.			—nonrecurring projects.
		\$	250	Local Soil and Water District Assistance
				—to continue current level of participation.
\$	1,054 Black Fly Control and Research	\$	4	Interstate Mining Commission
	—to continue current program.			—to continue current level of participation.
		\$	-96	Appalachian States Low-Level Waste Compact
\$	-425 Low Level Radioactive Waste Control			—Compact terminated on December 31, 1998.
	—siting process for a low-level radioactive waste facility suspended.			
		\$	-100	Small Water System Regionalization
	Flood Control Projects			—nonrecurring grants.

In addition, the Vision for a 21st Century Environment Program Revision following this program recommends nearly \$3 million in Federal funds to provide assistance to public water systems to conduct training and certification of drinking water system operators and to support the technical, managerial and financial capabilities of drinking water systems. The recommended level of Federal funds will also expand support for the Green Government Council, develop an electronic clearinghouse of information on new and emerging pollution prevention and energy efficiency technology, and expand support for new environmental technology verification.

In addition, the Vision for a 21st Century Environment Program Revision following this program recommends \$2 million from the Hazardous Sites Cleanup Fund to provide on-site assessments and recommendations for pollution prevention and energy-efficiency techniques to nearly 1,700 permit-holders.

In addition, the Vision for a 21st Century Environment Program Revision following this program recommends \$30 million from the Hazardous Sites Cleanup Fund and the Recycling Fund to provide funding for incentives to communities to adopt sound land use planning practices, preserve open spaces, cleanup and protect watersheds, reclaim abandoned mines and wells, make investments in water and sewage systems and solve environmental problems on public lands. See the Program Revision following this program for additional information.

All other appropriations are recommended at the current year funding levels.



Environmental Protection

Program: Environmental Protection and Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Cleanup of Scrap Tires	\$ 1,740	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Environmental Program Management	31,139	33,123	39,578	40,474	41,264	42,072	42,893
Chesapeake Bay Agricultural Source Abatement	2,928	3,122	3,199	3,263	3,328	3,395	3,463
Office of Pollution Prevention and Compliance Assistance	773	2,075	3,065	3,488	3,546	3,606	3,666
Environmental Protection Operations	64,093	70,083	70,019	70,938	72,357	73,804	75,281
Safe Water	0	6,705	0	0	0	0	0
Black Fly Control and Research	2,799	3,016	4,070	4,151	4,234	4,319	4,405
Streamgauging	580	0	0	0	0	0	0
Low Level Radioactive Waste Control	575	425	0	0	0	0	0
Flood Control Projects	1,762	1,505	1,025	1,025	1,025	1,025	1,025
Storm Water Management	582	645	1,200	1,200	1,200	1,200	1,200
Sewage Facilities Planning Grants	1,500	1,950	1,950	1,950	1,950	1,950	1,950
Sewage Facilities Enforcement Grants	4,000	4,970	5,000	5,000	5,000	5,000	5,000
Sewage Treatment Plant Operations Grants	41,700	44,000	0	0	0	0	0
Environmental Stewardship Fund	0	0	55,000	55,000	55,000	55,000	55,000
Delaware River Master	84	87	91	91	91	91	91
Ohio River Basin Commission	13	13	14	14	14	14	14
Susquehanna River Basin Commission	380	600	600	600	600	600	600
Interstate Commission on the Potomac River	37	38	40	40	40	40	40
Delaware River Basin Commission	978	978	1,049	1,049	1,049	1,049	1,049
Ohio River Valley Water Sanitation Commission	150	155	160	160	160	160	160
Chesapeake Bay Commission	265	295	265	265	265	265	265
Local Soil and Water District Assistance ...	2,850	2,850	3,100	3,100	3,100	3,100	3,100
Interstate Mining Commission	20	21	25	25	25	25	25
Appalachian States Low-Level Waste Compact	96	96	0	0	0	0	0
Small Water System Regionalization	247	500	400	400	400	400	400
TOTAL GENERAL FUND	\$ 159,291	\$ 179,252	\$ 189,850	\$ 192,233	\$ 194,648	\$ 197,115	\$ 199,627
MOTOR LICENSE FUND:							
Dirt and Gravel Road	\$ 0	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000

Program Revision: Vision for a 21st Century Environment

"The surest way to predict the future, including the future of Pennsylvania's environment, is to invent it." In preparing a vision for the next century's environment, Pennsylvania established the 21st Century Environmental Commission to review environmental issues and challenges and recommend solutions. In September, 1998 the commission issued its report containing recommendations for inventing a future environment that is truly worthy of the Commonwealth. These recommendations cover areas such as: improving the quality of communities; saving habitats; protecting natural diversity; conserving forests and farmlands; providing greenways and open spaces; assuring stream and groundwater flow; and, addressing environmental problems across watersheds and ecosystems. All of these larger environmental challenges are inextricably linked to the use of the land. Central to the commission's recommendations is the fundamental conclusion that "a healthy environment, a dynamic economy and the well being of our communities are directly linked. To make progress in one area, Pennsylvania must strive for simultaneous excellence in all."

This Program Revision undertakes the implementation of several key recommendations contained in the 21st Century Environmental Commission Report and makes recommendations regarding land use planning and the utilization of technology to begin to implement the vision for the environment in the next century. It also provides for an impressive expansion in the effort to address Pennsylvania's current unfinished environmental agenda.

Land Use Planning

The Commonwealth remains committed to economic growth in order to provide expanding opportunities and a higher quality of life for all Pennsylvanians. The fundamental task facing the Commonwealth and its local communities is to develop smarter, more efficient ways of using our land, to recognize that the land is a resource while continuing to protect property rights as land use patterns impact not only our environment but our economic future.

In recent decades development patterns have become less distinct as more and more farmland and open spaces were converted to expanding and often uncontrolled development to serve a spreading population. In fact, since 1960, the population of Pennsylvania's ten largest metropolitan areas has grown by 13 percent but the amount of developed land in those areas has grown by 80 percent. While changing land use patterns and growth are not necessarily negative factors, uncontrolled and random growth can impose significant and unintended economic and environmental consequences.

Varied land use patterns create wide-ranging issues which no single, easy formula can remedy in a state as diverse as Pennsylvania. However, this Program Revision recommends implementation of several significant first steps that can lead to voluntary efforts, primarily at the local level, to address land use concerns and their potential unintended consequences. Respecting Pennsylvania's long tradition of local control, promoting economic growth and protecting property rights, this Program Revision provides local governments with better, more flexible tools to voluntarily implement land use initiatives. While the Commonwealth has a role in the development of sound land use practices, State mandates can not effectively solve the problem. Solutions should be voluntary, innovative, protective of property rights, community-driven and locally supported. To this end, this Program Revision provides \$2 million to establish the World Class Communities Program within the Department of Community and Economic Development. This new program will coordinate and cooperate with local communities through the Center for Local Government Services to identify sound land use-management practices and provide land use planning, technical and financial assistance. The World Class Communities Program will provide planning assistance on a multi-community basis as well as to provide training on the demands of the new economy and the 21st century environment. Development of an inventory of sound land use practices will be undertaken in an open, public process which will also develop education and training programs to promote their voluntary use.

Pollution Prevention and Technology Utilization

Pennsylvania has formed a new environmental partnership with its citizens, businesses and the community to preserve and protect our natural resources through compliance assistance and pollution prevention. The Commonwealth is committed to prevent the introduction of pollutants into our air, land and water rather than to manage pollution after the fact. By reducing pollution through a coordinated and participatory approach and by preventing the introduction of pollutants into our environment, the Commonwealth is pursuing a more cost effective and results-oriented strategy to protect our natural resources. This Program Revision continues the migration of Pennsylvania's environmental protection policies from a former, heavy-hand regulatory approach to one that is more cooperative and results oriented. It continues to emphasize pollution prevention, compliance assistance, remediation and the expanded utilization of new, environmental technology to protect the Commonwealth's natural resources.



Program Revision: Vision for a 21st Century Environment (continued)

The 21st Century Environmental Commission has identified major environmental goals for Pennsylvania's next century. In order to achieve these goals, scientific evaluation criteria should be developed to measure our progress. This Program Revision provides \$364,000 to develop an environmental report card of indicators in order to start measuring environmental, health, and economic outcomes of environmental policies and practices. This recommendation will replace Pennsylvania's traditional system of measurements in the environmental field with a more integrated and holistic approach structured to assist in promoting sustainable land use and encouraging and fostering the development of environmental technologies.

If the Commonwealth is to expect communities, businesses and individuals to expand their efforts to reduce and prevent pollution and to promote energy efficiency it should lead by example. In 1998, the Green Government Council was established to ensure that Pennsylvania government achieved a higher level of pollution prevention, energy efficiency, and the wise use of our natural resources, which minimize impacts on the environment. This Program Revision provides \$300,000 in State and Federal funds to expand the efforts of the Green Government Council. Additional responsibilities will be to ensure that State agencies integrate into their management and operations sustainable practices such as energy efficiency, procurement of green commodities and cleaner vehicle fleets, recycling, advanced building design and green construction techniques, sustainable development and environmental cost auditing.

State and local government regulations and programs for pollution prevention and remediation can only achieve a degree of success. To maximize efforts to protect our natural resources requires the voluntary participation of individuals, communities and businesses. Cultivating citizen involvement in pollution prevention and remediation efforts has led Pennsylvania to become the first state to develop a Statewide Environmental Alliance for Senior Involvement. This alliance has taken form in the Senior Environment Corps, which are community-based organizations that utilize the lifelong experience, talents and time of seniors to address local environmental concerns. This Program Revision provides \$300,000 in State and Lottery funds to support the Senior Environment Corps to conduct volunteer citizen monitoring programs. The active participation of volunteers is also encouraged in the area of acid mine drainage abatement. This Program Revision provides \$962,000 to support volunteer efforts to reduce and eliminate acid mine drainage in the groundwater and waterways of the Commonwealth.

Just as most individuals and communities desire to be mindful stewards of the environment, most businesses in the Commonwealth are also cognizant of the need to take extra efforts to protect our natural resources. This Program Revision provides \$2 million in Hazardous Sites Cleanup

Fund resources to expand the current Small Business Pollution Prevention Program. Additional resources will enable pollution prevention and energy efficiency experts to conduct nearly 1,700 voluntary on-site assessments and make recommendations to businesses for improved cost savings through additional pollution prevention and compliance.

Pollution prevention and compliance assistance efforts have also been undertaken to improve drinking water quality throughout the Commonwealth. Large capital investments have been made at the State and local level to modernize and improve the delivery of safe drinking water to our homes and communities. Environmental water quality laws and regulations have been streamlined and have taken a practical approach to achieving water pollution prevention and the reduction of contaminants. Additionally, changes at the Federal level, specifically the 1996 Federal Safe Drinking Water Act, assigned new duties and responsibilities to states to ensure safe, clean drinking water.

The Commonwealth has adopted State-level strategies to implement the Federal Safe Drinking Water Act and to continue to ensure the protection for our water resources. In fiscal year 1998-99, Pennsylvania began implementation of strategies to further protect drinking water as nearly \$4.5 million in Federal funds were utilized. This Program Revision expands the utilization of Federal funds to continue to enhance drinking water systems throughout the Commonwealth. An additional \$2.7 million in Federal funds are provided to conduct training and certification of drinking water system operators and to review the technical, managerial and financial abilities of new and existing drinking water systems.

Greater utilization of available and emerging technology offers businesses, individuals and other members of the regulated community the potential to realize significant cost savings while expanding efforts to prevent or reduce pollution. This Program Revision provides an expanded level of resources to encourage greater reliance on technological innovations and to encourage the commercialization of emerging environmental technologies.

Innovative environmental technologies include not only pollution control products, but also products and services that focus on pollution avoidance, energy efficiency, protecting human health and conserving natural resources. Pennsylvania will continue to identify technology needs by expanding and coordinating resources for supporting verification, marketing and development of environmental technologies that can lead to economic growth of both the Commonwealth and the environmental industry. This Program Revision provides \$300,000 in State and Federal funds to develop an environmental technology clearinghouse. This clearinghouse will be a first-of-its-kind approach that will utilize both internet resources and data resources available to the State. The environmental technology clearinghouse will provide an Internet search



Program Revision: Vision for a 21st Century Environment (continued)

engine to identify pollution prevention and energy efficiency websites that can be useful to Pennsylvania businesses, communities and individuals.

Environmental technology verifications can overcome the institutional, technical and philosophical barriers hindering the introduction of innovative environmental technologies to the market place. This Program Revision provides \$300,000 in State and Federal funds to expand the environmental technology verification process for Pennsylvania-made innovations in the areas of pollution prevention and energy efficiency. An additional \$150,000 is also provided to expand the Commonwealth's ability to review, test and verify new water-quality technology proposals.

In an effort to reduce the amount of paperwork regulated businesses are required to submit to the Commonwealth, this Program Revision provides \$794,000 in State and Federal funds to encourage the submission of data through electronic means. The Environmental Electronic Commerce Initiative will be designed to offer alternative, high tech permitting and reporting systems, develop a standard method of transmitting information to the federal government and to provide a virtual one-stop reporting center that delivers information to multiple levels of government simultaneously.

Growing a Greener Pennsylvania

Recent regulatory reforms are simplifying requirements, streamlining procedures, reducing delays and eliminating unnecessary regulatory burdens. Such recent changes are exemplified by the example of the Brownfields Land Recycling Program. Through revisions and streamlining of programs and regulations the Brownfields Program has resulted in over 300 sites being cleaned up and restored to productive uses which has helped to create more than 13,000 new jobs.

However, Pennsylvania's unfinished environmental agenda from the current century is substantial and cannot be resolved by simply imposing more regulations on industrial dischargers. The problems of acid mine drainage, watershed degradation, aging water and sewer infrastructure, public land stewardship and conservation require innovative approaches. The quality of Pennsylvania's environment as well as the quality of life in the 21st century will depend on how land is utilized. Single focus programs will give way to broader approaches that look at regions and watersheds in a more comprehensive way. Flexibility will be necessary to address numerous individual environmental issues and partnerships bringing in many new players and interests will need to be created.

This Program Revision proposes to make many of these changes by implementing the Growing Greener Initiative which will provide \$85 million in additional State and Other funds to offer incentives to communities to adopt sound land use planning practices, preserve and protect natural

resources and to remediate past environmental hazards. The \$85 million annual capitalization of the Environmental Stewardship Fund is proposed to consist of \$55 million in State funds, \$15 million in Recycling funds and \$15 million in Hazardous Sites Cleanup funds. A portion of the \$55 million in State funds for the Growing Greener Initiative will consist of redirected Sewage Treatment Plant (STP) Operations Grants. These grants were authorized by Act 339 of 1953 as a method to encourage local governments to provide sewage treatment systems. Today, these systems are mandated by Federal and State law and new programs have been created to offset construction and renovation costs. Despite these changes, the funds provided for STP grants have grown substantially, and have transformed into a direct operational subsidy that is outdated. By redirecting this outdated subsidy to the Growing Greener Initiative, current environmental needs will be better addressed such as sound land use planning, non-point source pollution treatment and continued repair and replacement of water and sewer infrastructure. Growing Greener activities will be funded through the creation of a new Special Fund, the Environmental Stewardship Fund which will be capitalized with \$425 million over the next five years to expand efforts to protect our Commonwealth.

While major progress has been made to clean up old industrial sites under the Brownfields Program, environmental problems from historic coal mining and oil and gas drilling exist in over two-thirds of the state's 67 counties. This Program Revision and the Growing Greener Initiative provides \$32 million annually or \$160 million over five years for grants to county conservation districts, abandoned mine reclamation coalition groups, watershed organizations, Senior Environmental Corps volunteer projects for watershed assessments and the development and implementation of acid mine drainage abatement projects, including those on State lands. Funds will be used to plug abandoned oil and gas wells, with specific emphasis on wells located on State lands and high priority wells known to be causing health, safety and environmental problems.

In Pennsylvania, approximately 95 percent of the water quality impaired watersheds are polluted because of historic mining activities, agricultural or urban runoff, atmospheric deposition, on-lot sewage systems, earth moving or timber harvesting activities, the last of which are also known as nonpoint sources of pollution. This Program Revision provides \$19 million annually or \$95 million over five years to fund the installation of best management practices for agriculture and forestry projects, upgrade existing stormwater treatment systems, and to install streambank fencing and riparian buffers to reduce soil erosion and stabilize streambanks. Recommended funds will be used to support local efforts by county conservation districts, local governments and watershed improvement groups to clean up nonpoint source pollution and to create a new



Program Revision: Vision for a 21st Century Environment (continued)

program in PENNVEST to fund nonpoint source pollution control projects.

The Commonwealth continues to have outstanding needs in the area of water and sewer infrastructure upgrades and repairs. New and improved water sources, treatment and distribution systems are needed for public drinking water supplies. Waste water treatment needs are found across Pennsylvania, with a majority of these needs to rehabilitate existing waste water systems in older cities and towns. This Program Revision provides an additional \$5 million annually or \$25 million over the next five years and redirects existing funds to construct and rehabilitate water and sewer infrastructure projects in communities that support sound land use planning, and emphasizing projects in economically distressed areas. In addition, this Program Revision proposes reforms be made to the PENNVEST Program which will enable nearly \$180 million in annual program funds to be expended more wisely to promote sound land use planning through the environmentally-sound allocation of funds for water and sewer projects.

The Commonwealth owns approximately four million acres of natural assets located primarily in our State Parks, State Forest lands and State Game lands. Many of these areas suffer from historic environmental problems including un-reclaimed mine lands, acid mine drainage, and abandoned oil and gas wells. Unique habitats can be threatened by adjacent land uses, water quality changes or invasion of exotic species. In addition, a continuing problem on these lands is that many facilities are in need of repair and upgrading. This Program Revision provides \$19 million annually or \$95 million over five years to fund sewer and water facilities, roads, bridges, dams, campgrounds, comfort stations and building repairs and replacement in State Parks and Forests. Recommended funding will be targeted for facilities repair and improvement to eliminate the major maintenance backlog in State Parks.

To ensure the development of sustainable communities, "green infrastructure" needs exist to protect our natural assets and to add value and amenities to communities. These assets include open space and farm land, greenways, river corridors, parks, natural areas and bike

and rail trails. These are essential elements of a community's attractiveness and livability and are a key factor in determining an area's quality of life. Green infrastructure can also revitalize existing communities that may have been negatively affected by current land use patterns and can help promote tourism and other economic development initiatives. This Program Revision includes \$10 million annually or \$50 million over five years to provide matching grants to municipalities and conservation organizations to help fund initiatives for greenways, riparian buffers, community open space and close-to-home recreation facilities.

In addition to these State level efforts, this Program Revision and the Growing Greener Initiative proposes to authorize counties to utilize the more than \$44 million in their Landfill Closure Account funds for needed environmental improvements in their local communities. Landfill Closure Accounts were authorized in Act 101 which requires a \$.25 per ton fee on waste deposited in municipal landfills to ensure funds are available for landfill closure purposes. However, with current bonding requirements, these funds now duplicate other resources available. Access to these funds will help local communities promote sound land use practices, including open space and farm land preservation, assist with watershed restoration and protection and provide expanded support for other environmental and conservation purposes.

Through this expanded approach to addressing the unfinished environmental agenda of the 20th century, this Program Revision and the Growing Greener Initiative coordinate necessary changes and enhancements by linking responsible land use planning practices to decisions on infrastructure funding through PENNVEST and other programs. Coordination and partnerships will be utilized to provide increased matching funds to grantees for acid mine drainage abatement and abandoned well pollution, controlling and preventing nonpoint source pollution, protecting open spaces, conserving natural resources and creating outdoor recreation opportunities in areas that plan for and adopt sound land use practices.

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Environmental Protection

Program Revision: Vision for a 21st Century Environment (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Pollution prevention site visits and assessments conducted Program Revision	0	0	1,650	1,650	1,650	1,650	1,650
Drinking water system operators receiving continued training Program Revision	0	0	10,000	10,000	10,000	10,000	10,000
Hours of additional training provided Program Revision	0	0	66,667	66,667	66,667	0	0
Additional mining impacted stream miles restored to water quality standards Program Revision	0	0	2	4	8	9	9
Additional abandoned wells plugged Program Revision	0	0	100	200	416	1,500	1,500
Additional acres of hazardous surface mines reclaimed Program Revision	0	0	100	200	400	450	450
Additional homes protected from mine subsidence Program Revision	0	0	200	400	800	900	900
Additional homes provided with safe drinking water Program Revision	0	0	200	400	800	900	900
Additional PENNVEST sewer/ water projects Program Revision	0	0	110	110	110	110	110
Additional PENNVEST nonpoint source projects Program Revision	0	0	80	80	80	80	80
Additional volunteer watershed groups in place Program Revision	0	0	150	160	180	200	300
Additional State Parks repair and improvement projects Program Revision	0	0	180	180	180	180	180
Community conservation projects Program Revision	0	0	160	160	160	160	160



Environmental Protection

Program Revision: Vision for a 21st Century Environment (continued)

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND				
	Community and Economic Development	\$	962	Environmental Program Management	
	General Government Operations			—to expand volunteer acid mine drainage cleanup efforts.	
\$	67				
	—to provide administrative support to the Center for Local Government Services for the World Class Communities Program.		150	—to expand the review, testing and verification of new water quality-related technology proposals.	
	Shared Municipal Services	\$	1,112	Environmental Program Management Total	
\$	-900				
	—to redirect funding to the new World Class Communities Program to identify sound land use management practices and provide land use planning and financial assistance.				
	Planning Assistance	\$	55,000	Transfer to Environmental Stewardship Fund	
\$	-375			—to establish the Environmental Stewardship Fund to provide resources to encourage volunteer land use planning reforms, acid mine drainage abatement, watershed restorations, additional water and sewer infrastructure, public lands stewardship and community conservation.	
	—to redirect funding to the new World Class Communities Program to identify sound land use management practices and provide land use planning and financial assistance.				
	World Class Communities	\$	58,687	Program Revision Total	
\$	2,000				
	—to coordinate and cooperate with local communities through the Center for Local Government Services to identify sound land use management practices and provide land use planning and financial assistance.				
	Environmental Protection				
	Office of Pollution Prevention and Compliance Assistance				
\$	364	\$	150	AGING PENNCARE	
	—to develop environmental indicators and benchmarks to be used in environmental priority determinations and to provide additional scientific support.			—to develop the Senior Environmental Corps to expand participation in citizen monitoring programs.	
	200	\$	2,697	ENVIRONMENTAL PROTECTION	
	—to provide expert consulting to Green Government Council regarding advanced building design, green construction, sustainable development, green procurement and environmental cost auditing.			Technical Assistance to Small Systems	
	200			—to conduct certification of drinking water systems operators and to review the technical, managerial and financial capabilities of new and existing drinking water systems.	
	—to develop an environmental technology information clearinghouse.				
	200	\$	100	State Energy Program	
	—to expand support for pilot environmental technology verification programs.			—to provide expert consulting to Green Government Council regarding advanced building design, green construction, sustainable development, green procurement and environmental cost auditing.	
\$	964				
	Office of Pollution Prevention and Compliance Assistance Total			100	—to develop an environmental technology information clearinghouse.
	General Government Operations			100	—to expand support for pilot environmental technology verification programs.
\$	150				
	—to develop the Senior Environmental Corps to expand participation in citizen monitoring programs.			\$	300
	669			State Energy Program Total	
	—to develop an electronic commerce initiative to encourage the electronic submission of information for permit-holders and the regulated community.				
\$	819	\$	125	Survey Studies	
	General Government Operations Total			—to develop an electronic commerce initiative to encourage the electronic submission of information for permit-holders and the regulated community.	

This Program Revision is also supported with Lottery, Federal and Other Funds. The proposed uses of these funds follows: (Dollar Amounts in Thousands)

Environmental Protection

Program Revision: Vision for a 21st Century Environment (continued)

Program Revision Recommendations: (continued)

This budget recommends the following changes:
(Dollar Amounts in Thousands)

<p>ENVIRONMENTAL PROTECTION Hazardous Sites Cleanup Fund HSCF — Small Business Pollution Prevention</p> <p>\$ 2,000 —to provide on-site assessments and recommendations for pollution prevention and energy efficiency techniques.</p> <p>Transfer to Environmental Stewardship Fund</p> <p>\$ 15,000 —to establish the Environmental Stewardship Fund to provide resources to encourage volunteer land use planning reforms, acid mine drainage abatement, watershed restorations, additional water and sewer infrastructure, public lands stewardship and community conservation.</p>	<p>Recycling Fund Transfer to Environmental Stewardship Fund</p> <p>\$ 15,000 —to establish the Environmental Stewardship Fund to provide resources to encourage volunteer land use planning reforms, acid mine drainage abatement, watershed restorations, additional water and sewer infrastructure, public lands stewardship and community conservation.</p>
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Recommended Program Revision Costs by Appropriation:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Aging							
PENNCARE	\$ 0	\$ 0	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
Community and Economic Development							
General Government Operations	0	0	67	135	135	135	135
Shared Municipal Services	0	0	-900	0	0	0	0
Planning Assistance	0	0	-375	0	0	0	0
World Class Communities	0	0	2,000	2,000	2,000	2,000	2,000
Environmental Protection							
General Government Operations	0	0	819	916	931	947	963
Environmental Program Management	0	0	1,112	1,269	1,275	1,282	1,288
Office of Pollution Prevention and Compliance Assistance	0	0	964	1,345	1,360	1,376	1,391
Transfer to Environmental Stewardship Fund	0	0	55,000	55,000	55,000	55,000	55,000
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 58,837	\$ 60,815	\$ 60,851	\$ 60,890	\$ 60,927



FISH AND BOAT COMMISSION

The Fish and Boat Commission administers and enforces the fishing and boating laws of the Commonwealth and provides for the protection and propagation of aquatic life.



Fish and Boat Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Repayment for Free Fishing Licenses.....	\$ 0	\$ 798	\$ 0
<i>Grants and Subsidies:</i>			
Atlantic States Marine Fisheries Commission.....	\$ 9	\$ 10	\$ 10
GENERAL FUND TOTAL.....	\$ 9	\$ 808	\$ 10
BOAT FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 8,277	\$ 7,982	\$ 8,230
(F)US Coast Guard Grant - Boating Safety.....	1,353	1,386	1,400
(F)Sport Fish Restoration.....	773	943	570
(F)Clean Vessels.....	66	85	0
(A)Sale of Vehicles.....	29	20	20
Subtotal - State Funds.....	\$ 8,277	\$ 7,982	\$ 8,230
Subtotal - Federal Funds.....	2,192	2,414	1,970
Subtotal - Augmentations.....	29	20	20
Total - General Government.....	\$ 10,498	\$ 10,416	\$ 10,220
STATE FUNDS.....	\$ 8,277	\$ 7,982	\$ 8,230
FEDERAL FUNDS.....	2,192	2,414	1,970
AUGMENTATIONS.....	29	20	20
BOAT FUND TOTAL.....	\$ 10,498	\$ 10,416	\$ 10,220
FISH FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 22,621	\$ 22,436	\$ 24,522
(F)Sport Fish Restoration.....	5,448	5,377	4,810
(F)Clean Vessels.....	0	10	0
(F)Mid-Atlantic Management Council.....	7	0	0
(F)Endangered Species.....	4	1	0
(F)Surface Mine Regulation.....	40	40	43
(F)NOAA.....	249	593	673
(A)Sale of Vehicles.....	63	50	50
(A)Reimbursement for Services - Boat Fund.....	0 ^a	0 ^a	0 ^a
(A)Reimbursement - DEP/EPA Projects.....	8	80	75
(A)Reimbursement for Services - PennDOT.....	44	52	54
(A)Reimbursement - Wild Resource Conservation Fund.....	25	13	0
(A)Reimbursement - Shad Restoration.....	215	229	230
Subtotal - State Funds.....	\$ 22,621	\$ 22,436	\$ 24,522
Subtotal - Federal Funds.....	5,748	6,021	5,526
Subtotal - Augmentations.....	355	424	409
Total - General Government.....	\$ 28,724	\$ 28,881	\$ 30,457
STATE FUNDS.....	\$ 22,621	\$ 22,436	\$ 24,522
FEDERAL FUNDS.....	5,748	6,021	5,526
AUGMENTATIONS.....	355	424	409
FISH FUND TOTAL.....	\$ 28,724	\$ 28,881	\$ 30,457

Fish and Boat Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>General Government:</i>			
Fishing and Boating Access Areas(EA).....	\$ 48	\$ 742	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 48	\$ 742	\$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 9	\$ 808	\$ 10
SPECIAL FUNDS.....	30,946	31,160	32,752
FEDERAL FUNDS.....	7,940	8,435	7,496
AUGMENTATIONS.....	384	444	429
TOTAL ALL FUNDS.....	\$ 39,279	\$ 40,847	\$ 40,687

^a Not added to the total to avoid double counting: 1997-98 Actual is \$10,498,000, 1998-99 Available is \$10,416,000, and 1999-00 Budget is \$10,220,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
RECREATIONAL FISHING AND BOATING							
GENERAL FUND.....	\$ 9	\$ 808	\$ 10	\$ 10	\$ 10	\$ 10	10
SPECIAL FUNDS.....	30,946	31,160	32,752	33,407	34,075	34,756	35,451
FEDERAL FUNDS.....	7,940	8,435	7,496	7,496	7,496	7,496	7,496
OTHER FUNDS.....	384	444	429	438	447	456	465
SUBCATEGORY TOTAL.....	\$ 39,279	\$ 40,847	\$ 40,687	\$ 41,351	\$ 42,028	\$ 42,718	\$ 43,422
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9	\$ 808	\$ 10	\$ 10	\$ 10	\$ 10	10
SPECIAL FUNDS.....	30,946	31,160	32,752	33,407	34,075	34,756	35,451
FEDERAL FUNDS.....	7,940	8,435	7,496	7,496	7,496	7,496	7,496
OTHER FUNDS.....	384	444	429	438	447	456	465
DEPARTMENT TOTAL.....	\$ 39,279	\$ 40,847	\$ 40,687	\$ 41,351	\$ 42,028	\$ 42,718	\$ 43,422

Fish and Boat Commission

PROGRAM OBJECTIVE: *To conserve aquatic resources including fish and wildlife populations, to provide recreational opportunities for fishing and boating on Commonwealth waters, and to promote safe recreational use of these aquatic resources.*

Program: Recreational Fishing and Boating

The Fish and Boat Commission is responsible for the enforcement of the fishing and boating laws and regulations, registration of boats, the State boating and water safety education programs, and the management and promotion of recreational boating. The Boating Advisory Board, a group of knowledgeable boaters appointed by the Governor, advises the commission on boating matters.

In addition to recreational boating, the commission is responsible for recreational fishing in the Commonwealth.

This includes fish propagation, stocking, fisheries environmental services, the cooperative nurseries program, research and fish management. The commission also provides for the development, improvement and maintenance of facilities for lake and access areas. As water quality is a major factor in aquatic recreation, the commission's goals are to protect, conserve and enhance aquatic resources by monitoring the water quality of many streams, lakes and rivers in the Commonwealth.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Fishing licenses sold	995,659	989,258	1,008,962	1,019,273	1,029,299	1,039,822	1,050,031
Pounds of fish stocked in Commonwealth streams and lakes	2,885,614	2,680,000	2,680,000	2,680,000	2,680,000	2,680,000	2,680,000
Boats registered	338,018	341,000	345,000	348,000	352,000	355,000	359,000
Warnings issued for violations of fishing and boating laws	42,499	42,000	42,000	42,000	42,000	42,000	42,000
Convictions for violations of fishing and boating laws	11,539	11,000	11,000	11,000	11,000	11,000	11,000

Pounds of fish stocked in Commonwealth streams and lakes are dependant on fish survival in Pennsylvania's hatcheries.

Warnings issued for violations of fishing and boating laws increase from the projections shown in last year's budget to reflect the most recent count of actual warnings issued.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND			FISH FUND
	Repayment for Free Fishing Licenses			General Operations (EA)
\$	-798		\$	1,805
	—nonrecurring item.			281
				—to continue current programs.
	BOAT FUND			—for waterways conservation officer training school.
	General Operations (EA)			
\$	560		\$	2,086
	188			<i>Executive Authorization Increase</i>
	—to continue current programs.			
	188			
	—for waterways conservation officer training school.			
	-500			
	—boat registration system.			
\$	248			
	<i>Executive Authorization Increase</i>			

Atlantic States Marine Fisheries Commission appropriation is recommended at the current year funding level.

Fishing and Boating Access Areas funded by the Keystone Recreation, Park and Conservation Fund will continue until the amount allotted by law is completely committed.



Fish and Boat Commission

Program: Recreational Fishing and Boating (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Atlantic States Marine Fisheries							
Commission	\$ 9	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Repayment for Free Fishing Licenses	0	798	0	0	0	0	0
TOTAL GENERAL FUND	\$ 9	\$ 808	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
BOAT FUND:							
General Operations	\$ 8,277	\$ 7,982	\$ 8,230	\$ 8,395	\$ 8,563	\$ 8,734	\$ 8,909
FISH FUND:							
General Operations	\$ 22,621	\$ 22,436	\$ 24,522	\$ 25,012	\$ 25,512	\$ 26,022	\$ 26,542
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Fishing and Boating Access Areas	\$ 48	\$ 742	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



GAME COMMISSION

The Game Commission administers and enforces the game laws of the Commonwealth and provides for the protection and propagation of wildlife.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GAME FUND:			
<i>General Government:</i>			
General Operations(EA).....	\$ 48,251	\$ 47,849	\$ 48,953
(F)Pittman-Robinson Act Reimbursements.....	7,151	8,000	7,500
(F)Endangered Species.....	7	8	8
(F)Surface Mine Regulatory Program.....	43	46	46
(F)Harvest Information Program.....	71	6	13
(A)Sale of Vehicles.....	275	250	250
(A)Pennsylvania Conservation Corps.....	128	100	100
(A)Donations.....	98	15	10
(A)Youth Shooting Sports.....	0	5	5
(A)Stream Bank Fencing.....	100	100	100
(A)Becoming an Outdoors Woman.....	19	15	15
(A)Wildlife Management Institute.....	0	35	0
(A)Transportation Reimbursement - Elk Lick Project.....	0	22	0
(A)Transportation Reimbursement - Animal Removal.....	82	200	200
(A)Purchasing Card Rebate.....	1	2	2
(R)Resident License Fee-Natural Propagation of Wildlife.....	1,205	1,236	1,236
(R)Antlerless Deer License-Natural Propagation of Wildlife.....	1,355	1,638	1,638
Subtotal.....	\$ 58,786	\$ 59,527	\$ 60,076
Land Acquisition and Development(EA).....	(6)	100	2,000
(A)Land Acquisition Donations.....	12	0	0
Subtotal.....	\$ 6	\$ 100	\$ 2,000
Subtotal - State Funds.....	\$ 48,245	\$ 47,949	\$ 50,953
Subtotal - Federal Funds.....	7,272	8,060	7,567
Subtotal - Augmentations.....	715	744	682
Subtotal - Restricted Revenues.....	2,560	2,874	2,874
Total - General Government.....	\$ 58,792	\$ 59,627	\$ 62,076
STATE FUNDS.....	\$ 48,245	\$ 47,949	\$ 50,953
FEDERAL FUNDS.....	7,272	8,060	7,567
AUGMENTATIONS.....	715	744	682
RESTRICTED REVENUES.....	2,560	2,874	2,874
GAME FUND TOTAL.....	\$ 58,792	\$ 59,627	\$ 62,076
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>General Government:</i>			
Land Acquisition and Development - Bond Proceeds(EA).....	\$ 109	\$ 20	\$ 0
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 109	\$ 20	\$ 0
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	48,354	47,969	50,953
FEDERAL FUNDS.....	7,272	8,060	7,567
AUGMENTATIONS.....	715	744	682
RESTRICTED.....	2,560	2,874	2,874
TOTAL ALL FUNDS.....	\$ 58,901	\$ 59,647	\$ 62,076

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
WILDLIFE MANAGEMENT							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	48,354	47,969	50,953	51,932	51,931	52,950	53,989
FEDERAL FUNDS.....	7,272	8,060	7,567	7,567	7,567	7,567	7,567
OTHER FUNDS.....	3,275	3,618	3,556	3,556	3,556	3,556	3,556
SUBCATEGORY TOTAL.....	\$ 58,901	\$ 59,647	\$ 62,076	\$ 63,055	\$ 63,054	\$ 64,073	\$ 65,112
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	48,354	47,969	50,953	51,932	51,931	52,950	53,989
FEDERAL FUNDS.....	7,272	8,060	7,567	7,567	7,567	7,567	7,567
OTHER FUNDS.....	3,275	3,618	3,556	3,556	3,556	3,556	3,556
DEPARTMENT TOTAL.....	\$ 58,901	\$ 59,647	\$ 62,076	\$ 63,055	\$ 63,054	\$ 64,073	\$ 65,112



PROGRAM OBJECTIVE: To establish habitats and environments which will sustain wildlife populations for recreational uses and for the perpetuation of species.

Program: Wildlife Management

The main responsibility of the Game Commission is the perpetuation of the species of wildlife found in Pennsylvania. The commission achieves its mission through management of game habitat, operation of programs for endangered and threatened species, and enforcement of the Game and Wildlife Code.

The primary means of ensuring the propagation and preservation of wildlife is properly managed land and game habitat. The commission currently administers over 1.36 million acres of State Game Lands, and is judiciously acquiring additional lands, focusing on critically important wetlands. The commission also operates cooperative programs to encourage good land use management and habitat improvement by private landowners. The Wildlife Habitat Assessment and Management system is used by the commission as a process for assessing existing wildlife habitat conditions and developing management plans. This process is applied 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 licenses available for sale is based on the doe population. The optimal number of deer is based on acres of forested land in the Commonwealth. Hunting, while recreational in nature, is a management tool as well. Future year projection numbers indicate the number of deer needed to be harvested to sustain the population. Also protected by the commission are endangered and threatened species such as river otters, osprey, peregrine falcons, and bald and golden eagles. The expanded ten hour comprehensive Hunter-Trapper Education program is annually presented to over 43,000 first-time hunters and trappers.

Wildlife conservation officers enforce the provisions of the Game and Wildlife Code to protect the natural balance of the Commonwealth's wildlife population.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Hunting licenses sold	1,063,366	1,067,200	1,067,200	1,067,200	1,067,200	1,067,200	1,067,200
Deer taken	397,016	350,000	350,000	350,000	350,000	350,000	350,000
Arrests for violation of game laws	9,942	9,500	9,500	9,500	9,500	9,500	9,500

Deer taken is higher than the projections shown in last year's budget because of better weather conditions and more herd availability due to a decreased harvest in the 1996 hunting season.

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Operations (EA)</p> <p>\$ 3,103 —to continue current programs, including wildlife conservation training class.</p> <p>795 —tractor replacement.</p> <p>205 —major maintenance projects.</p> <p>95 —vehicle replacement.</p> <p>-3,094 —nonrecurring radio system upgrade.</p> <hr/> <p>\$ 1,104 <i>Executive Authorization Increase</i></p>	<p>Land Acquisition and Development (EA)</p> <p>\$ 1,900 —to acquire additional land.</p>
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Land acquisitions funded by the Keystone Recreation, Park and Conservation Fund will continue until the amount allotted by law is completely committed.

Program: Wildlife Management (continued)

Appropriations within this Program

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GAME FUND:							
General Operations	\$ 48,251	\$ 47,849	\$ 48,953	\$ 49,932	\$ 50,931	\$ 51,950	\$ 52,989
Land Acquisition and Development	-6	100	2,000	2,000	1,000	1,000	1,000
TOTAL GAME FUND	\$ 48,245	\$ 47,949	\$ 50,953	\$ 51,932	\$ 51,931	\$ 52,950	\$ 53,989
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Land Acquisition and Development	\$ 109	\$ 20	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



DEPARTMENT OF GENERAL SERVICES

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the Commonwealth.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1997-98 1998-99 1999-00
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations.....	\$ 53,184	\$ 57,477 ^a	\$ 57,788
(A)Employees Group Life Insurance.....	60	60	0
(A)Federal Surplus Property.....	1,036	1,207	1,171
(A)State Buildings Use.....	1,727	1,704	1,802
(A)Sound Equipment.....	38	25	38
(A)Employee Liability Self Insurance Program.....	76	70	69
(A)Newsroom Services.....	14	12	15
(A)Computer Services.....	64	100	100
(A)Plans Forfeiture.....	55	57	57
(A)Media Center Reimbursements.....	1,482	1,700	3,100
(A)Recycling Program.....	400	620	650
(A)Services Provided Other Agencies.....	107	121	55
(A)PA Drug Reduction Property Program.....	37	0	0
(A)Purchasing Seminar.....	1	300	200
(A)Lottery Annuity Administration Services.....	15	29	0
Information Systems Acquisition.....	0	0	3,600
Subtotal.....	\$ 58,296	\$ 63,482	\$ 68,645
Capitol Police Operations.....	6,479	6,490 ^b	6,565
(A)Capitol Police Services.....	30	37	37
Harristown Rental Charges.....	6,581	6,580	6,580
Utility Costs.....	12,840	13,119	11,583
Harristown Utility and Municipal Charges.....	9,797	9,790	9,974
Printing the Pennsylvania Manual.....	0	191	0
Asbestos Response.....	450	450	450
Excess Insurance Coverage.....	1,802	1,725	1,925
Capitol Annex Renovation.....	9,660	0	0
Capital Project Leasing.....	393	739	547
Subtotal - State Funds.....	\$ 101,186	\$ 96,561	\$ 99,012
Subtotal - Augmentations.....	5,142	6,042	7,294
Total - General Government.....	\$ 106,328	\$ 102,603	\$ 106,306

Grants and Subsidies:

Capitol Fire Protection.....	\$ 750	\$ 900	\$ 990
STATE FUNDS.....	\$ 101,936	\$ 97,461	\$ 100,002
AUGMENTATIONS.....	5,142	6,042	7,294

GENERAL FUND TOTAL..... \$ 107,078 \$ 103,503 \$ 107,296

BANKING DEPARTMENT FUND:

General Government:

Harristown Rental Charges.....	\$ 139	\$ 139	\$ 140
Harristown Utility And Municipal Charges.....	171	184	185
Total - General Government.....	\$ 310	\$ 323	\$ 325

BANKING DEPARTMENT FUND TOTAL..... \$ 310 \$ 323 \$ 325

LOTTERY FUND:

General Government:

Harristown Rental Charges (EA).....	\$ 76	\$ 75	\$ 82
Harristown Utility And Municipal Charges (EA).....	128	121	135

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Total - General Government.....	\$ 204	\$ 196	\$ 217
LOTTERY FUND TOTAL.....	\$ 204	\$ 196	\$ 217
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Harristown Rental Charges (EA).....	\$ 96	\$ 101	\$ 95
Harristown Utility and Municipal Charges (EA).....	161	163	157
Total - General Government.....	\$ 257	\$ 264	\$ 252
<i>Grants and Subsidies:</i>			
Tort Claims Payments.....	\$ 27,000	\$ 20,000	\$ 20,000
MOTOR LICENSE FUND TOTAL.....	\$ 27,257	\$ 20,264	\$ 20,252
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 101,936	\$ 97,461	\$ 100,002
SPECIAL FUNDS.....	27,771	20,783	20,794
AUGMENTATIONS.....	5,142	6,042	7,294
TOTAL ALL FUNDS.....	\$ 134,849	\$ 124,286	\$ 128,090

^a Includes \$71,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$9,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
FACILITY, PROPERTY AND COMMODITY MANAGEMENT							
GENERAL FUND.....	\$ 101,936	\$ 97,461	\$ 100,002	\$ 99,997	\$ 100,238	\$ 102,413	\$ 104,231
SPECIAL FUNDS.....	27,771	20,783	20,794	20,811	20,828	20,845	20,863
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	5,142	6,042	7,294	7,439	7,587	7,739	7,893
SUBCATEGORY TOTAL.....	\$ 134,849	\$ 124,286	\$ 128,090	\$ 128,247	\$ 128,653	\$ 130,997	\$ 132,987
ALL PROGRAMS:							
GENERAL FUND.....	\$ 101,936	\$ 97,461	\$ 100,002	\$ 99,997	\$ 100,238	\$ 102,413	\$ 104,231
SPECIAL FUNDS.....	27,771	20,783	20,794	20,811	20,828	20,845	20,863
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	5,142	6,042	7,294	7,439	7,587	7,739	7,893
DEPARTMENT TOTAL.....	\$ 134,849	\$ 124,286	\$ 128,090	\$ 128,247	\$ 128,653	\$ 130,997	\$ 132,987

PROGRAM OBJECTIVE: To maintain the Commonwealth's real property and facilities; to provide Commonwealth agencies with quality commodities in a timely manner; and to settle tort claims in an equitable manner while reducing risks.

Program: Facility, Property and Commodity Management

This program provides for management of the 25 State-owned buildings of the Capitol complex and Harrisstown; 5 regional State office buildings in Pittsburgh, Philadelphia, Scranton and Reading and two executive residences. These facilities contain nearly 5.9 million square feet of office space, with 115 acres of related grounds, parking areas and roadways. The department also manages the acquisition and utilization of space and facilities by State agencies totaling 10.2 million square feet for 1,347 leases, with annual rental costs exceeding \$108 million and provides agencies with commodities that conform to accepted standards of quality. This program is responsible for preparing plans, designs, surveys and specifications for all State construction projects. All projects are closely monitored to ensure compliance with State laws and building codes.

Police and security services are provided within the Capitol Complex and related buildings as well as for the regional State office buildings.

Act 57 of 1998 amended Title 62, the Procurement Code, by codifying Commonwealth procurement policies and practices into a single, all-inclusive Commonwealth Procurement Code. The Procurement Code centralizes the policy-making and procurement activities for supplies, goods, commodities and services within the Department of General Services. Through this program the department establishes and administers 265 Statewide contracts and processes purchase requests for items not covered under Statewide contracts. Transactions represent over \$536 million in expenditures by Commonwealth agencies.

The department handles tort claims, in conjunction with the Attorney General's Office, brought against the Commonwealth, its officials and employees. Act 151 of 1986 reaffirmed the Commonwealth's use of sovereign immunity as a defense against tort claims, but established criteria for limited amounts of liability in nine specific areas: vehicle liability; medical professional liability; personal property; Commonwealth real estate; potholes and other dangerous conditions; care, custody and control of domestic animals; liquor store sales; National Guard activities; and toxoids and vaccines. The department investigates claims in the pre-litigation stage, while the Office of Attorney General defends those claims in litigation. This program is

responsible for the Commonwealth's Liability Self-Insurance Programs. Claims are a result of damages incurred because of a willful act or an act of negligence by employees of departments, boards or commissions. Coverage is provided for 24,980 Commonwealth vehicles (including construction trucks and trailers) that travel 271 million miles annually. Excess liability coverage is extended for employees using personal vehicles on Commonwealth business.

This program funds the ongoing assessment of the asbestos danger in Commonwealth-owned buildings. In locations where asbestos is present, the assessment allows the hazard potential to be calculated and abatement costs estimated.

This program provides funding to purchase catastrophic property insurance on Commonwealth-owned buildings.

The "Piggy Back Purchases Program" assists 1,700 local municipalities to utilize more than 200 state contracts.

The Commonwealth Agency Recycling Office assists agencies in collecting more than 4,185 tons of paper, generating \$73,583 in revenue and saving \$208,250 in disposal costs during 1998-99. Collection of other types of recyclable materials generated additional income of \$474,599.

Commonwealth Media Services provides high quality, cost-effective, creative audio-video, photographic and media services required by State agencies. Services are available on a continuous basis in the event of emergencies. News conferencing facilities are maintained for more than 150 events at the Capitol Media Center. In addition, a full range of creative audio-video services are incorporated into the production of 200 documentary, educational, promotional, training and public service programs.

This program administers the Federal and State surplus property programs. The property is sold to State agencies, local municipalities, not-for-profit organizations and law enforcement entities for a nominal service charge. During 1997-98, property originally valued at \$39.7 million was distributed to eligible organizations. Through the Shelter Share Program, the bureau donated \$1 million in clothing, beds, blankets, and medical equipment and supplies to needy citizens. Disposal of unneeded items generated nearly \$2.5 million in revenue in 1997-98.



Program: Facility, Property and Commodity Management (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Surplus property distributed (in thousands): ...	\$39,700	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Capital facilities projects in design and/or construction	479	583	600	590	580	570	560
Value (in thousands)	\$1,817,134	\$1,871,648	\$1,927,797	\$1,985,631	\$2,045,200	\$2,106,556	\$2,169,752
Tort claims filed	7,536	8,892	8,447	8,785	9,137	9,502	9,882
Tort claims closed (includes settlements, judgements and denials)	9,185	9,685	9,506	9,792	10,085	10,388	10,700
Tort claims pending	10,491	9,698	8,639	7,633	6,684	5,798	4,981
Amount of claims pending (in thousands)	\$205,900	\$213,107	\$223,762	\$237,188	\$245,489	\$254,081	\$262,974

Federal Surplus Property distributed in 1997-98 increased from last year's budget as a result of the acquisition and subsequent transfer of aircraft.

Capital facilities projects in design and/or construction increased from last year's budget due to the release of additional projects.

The mild winter of 1997-98 resulted in fewer tort claims than originally anticipated in last year's budget. Related reductions are also expected in the number of claims pending and closed.

Program Recommendations: (continued)

 This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-760	General Government Operations —nonrecurring first year costs for procurement system equipment and services.	\$	184	Harristown Utility and Municipal Charges —to provide pro rata share of charges.
	-1,100	—nonrecurring purchase of EDP equipment.			Printing the Pennsylvania Manual —nonrecurring biennial printing cost.
	-31	—transfer of Group Life Insurance function to the Office of Administration.	\$	-191	
	300	—to purchase KU-Band Uplink/Downlink Satellite Dish.	\$	200	Excess Insurance Coverage —to continue current program.
	131	—to resolve Y2K compliance issues associated with embedded technology.			Capitol Project Leasing —nonrecurring project.
	394	—to provide digital equipment and technology to improve productivity and enhance services of Commonwealth Media Services.	\$	-192	Capitol Fire Protection —to continue current program.
	1,377	—to continue current program.	\$	90	
	\$ 311	<i>Appropriation Increase</i>			BANKING DEPARTMENT FUND Harristown Rental Charges —to provide pro rata share of charges.
	\$ 3,000	Information Systems Acquisition —to replace Procurement Processing system to meet requirements of new Procurement Code.	\$	1	Harristown Utility and Municipal Charges —to provide pro rata share of charges.
	600	—to purchase a claims management system for the Bureau of Risk and Insurance Management.	\$	1	LOTTERY FUND Harristown Rental Charges —to provide pro rata share of charges.
	\$ 3,600	<i>Appropriation Increase</i>	\$	7	Harristown Utility and Municipal Charges —to provide pro rata share of charges.
	\$ 75	Capitol Police Operations —to continue current program.	\$	14	MOTOR LICENSE FUND Harristown Rental Charges —to provide pro rata share of charges.
	\$ -712	Utility Costs —savings from decreased usage and price changes.	\$	-6	Harristown Utility and Municipal Charges —to provide pro rata share of charges.
	-824	—savings from deregulation.			
	\$ -1,536	<i>Appropriation Decrease</i>	\$	-6	

All other programs are continued at the current level.



Includes accomplishment of the PRIME recommendation to streamline the procurement process. The Department of General Services has revised policies and procedures to streamline the procurement process, thereby eliminating unnecessary red tape.



Program: Facility, Property and Commodity Management (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 53,184	\$ 57,477	\$ 57,788	\$ 58,944	\$ 60,123	\$ 61,325	\$ 62,552
Information Systems Acquisition	0	0	3,600	1,500	0	0	0
Capitol Police Operations	6,479	6,490	6,565	6,696	6,830	6,967	7,106
Harristown Rental Charges	6,581	6,580	6,580	6,712	6,846	6,983	7,123
Utility Costs	12,840	13,119	11,583	11,815	12,051	12,292	12,538
Harristown Utility and Municipal Charges ..	9,797	9,790	9,974	10,173	10,376	10,584	10,796
Printing the Pennsylvania Manual	0	191	0	195	0	199	0
Asbestos Response	450	450	450	450	450	450	450
Excess Insurance Coverage	1,802	1,725	1,925	1,964	2,003	2,043	2,084
Capitol Annex Renovation	9,660	0	0	0	0	0	0
Capital Project Leasing	393	739	547	558	569	580	592
Capitol Fire Protection	750	900	990	990	990	990	990
TOTAL GENERAL FUND	\$ 101,936	\$ 97,461	\$ 100,002	\$ 99,997	\$ 100,238	\$ 102,413	\$ 104,231
BANKING DEPARTMENT FUND:							
Harristown Rental Charges	\$ 139	\$ 139	\$ 140	\$ 143	\$ 146	\$ 149	\$ 152
Harristown Utility and Municipal Charges ..	171	184	185	189	339	346	353
TOTAL BANKING DEPARTMENT FUND	\$ 310	\$ 323	\$ 325	\$ 332	\$ 339	\$ 346	\$ 353
LOTTERY FUND:							
Harristown Rental Charges	\$ 76	\$ 75	\$ 82	\$ 84	\$ 86	\$ 88	\$ 90
Harristown Utility and Municipal Charges ..	128	121	135	138	141	144	147
TOTAL STATE LOTTERY FUND	\$ 204	\$ 196	\$ 217	\$ 222	\$ 227	\$ 232	\$ 237
MOTOR LICENSE FUND:							
Harristown Rental Charges	\$ 96	\$ 101	\$ 95	\$ 97	\$ 99	\$ 101	\$ 103
Harristown Utility and Municipal Charges ..	161	163	157	160	163	166	170
Tort Claims Payments	27,000	20,000	20,000	20,000	20,000	20,000	20,000
TOTAL MOTOR LICENSE FUND	\$ 27,257	\$ 20,264	\$ 20,252	\$ 20,257	\$ 20,262	\$ 20,267	\$ 20,273



DEPARTMENT OF HEALTH

The Department of Health protects and enhances the health of all Pennsylvanians by identifying significant health threats and providing leadership in the development and implementation of health policy.

The Department works in active partnership with other providers and consumers of health care services to assess, analyze, and report on health threats; promote healthy behavior; reduce illness, injury, disability, and premature death; and assure the quality and availability of health care services.

The Secretary of Health receives assistance and information from approximately fifty advisory groups including the Advisory Health Board, the Drug, Device and Cosmetic Board, the Advisory Committee for Clinical Laboratories, the Health Policy Board, the Hearing Aid Advisory Council and the Advisory Council on Drug and Alcohol Abuse.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds <small>(in thousands)</small>
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 2,177
<p>This Program Revision provides information technology to convert a mainframe system to a client server system, enhance regulatory licensing functions, enable network systems to meet statewide standards, and improve the collection and analysis of data. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
Expanding Home and Community-Based Opportunities for Persons with Disabilities		
<p>This Program Revision provides \$449,000 in Catastrophic Medical and Rehabilitation funds to the Department of Public Welfare for home and community-based services for 14 individuals with traumatic brain injury. This is part of the \$35.3 million Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision. Please see the Program Revision following the Human Services Program in the Department of Public Welfare for additional information on this</p>		
	Department Total.....	\$ 2,177



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 18,954	\$ 20,110 ^a	\$ 23,517
(F)WIC Administration and Operation.....	8,483	9,411	9,897
(F)Health Assessment.....	388	484	503
(F)PHHSBG - Administration and Operation.....	3,157	3,678	3,766
(F)SABG - Administration and Operation.....	4,390	4,650	4,798
(F)MCHSBG - Administration and Operation.....	12,268	13,028	13,207
(F)Center for Disease Control Conferences.....	7	63	63
(F)Pediatric Prehospital Emergency Care.....	196	270 ^b	115
(F)TB - Administration and Operation.....	431	651	657
(F)Lead - Administration and Operation.....	390	906	1,057
(F)AIDS Health Education - Administration and Operation.....	2,028	2,402	1,984
(F)Community Migrant Health.....	132	273	265
(F)Tobacco Control.....	290	1,000	1,703
(F)Breast and Cervical Cancer - Administration and Operation.....	484	722	895
(F)HIV / AIDS Surveillance.....	0	0	763
(F)HIV Care - Administration and Operation.....	412	916	918
(F)Tobacco Regulation Enforcement.....	157	1,000	1,000
(F)Emergency Medical Services Bystander Care.....	46	0	0
(F)Emergency Medical Services System Assessment Program.....	0	40	0
(F)Smoke Alarm Intervention Program.....	0	225	225
(A)Data Center Services.....	2,788	2,720	2,720
(A)Departmental Services.....	1	21	25
(A)Robert Wood Johnson Foundation Grant.....	0	132	0
Subtotal.....	\$ 55,002	\$ 62,702	\$ 68,078
Organ Donation.....	120	120	120
Diabetes Programs.....	461	461	461
(F)Diabetes Control.....	250	514	514
Subtotal.....	\$ 711	\$ 975	\$ 975
Quality Assurance.....	7,387	8,832 ^c	8,928
(F)Medicare - Health Service Agency Certification.....	4,937	5,895	7,224
(F)Medicaid Certification.....	4,921	5,955	5,955
(A)Publication Fees.....	8	10	10
Subtotal.....	\$ 17,253	\$ 20,692	\$ 22,117
Vital Statistics.....	5,404	5,614 ^d	5,742
(F)Cooperative Health Statistics.....	1,144	995 ^e	1,145
(F)Health Statistics.....	79	670	855
(A)Reimbursement for Microfilming.....	69	50	50
(A)Vital-Chek Surcharge.....	165	165	180
Subtotal.....	\$ 6,861	\$ 7,494	\$ 7,972
State Laboratory.....	3,088	3,257 ^f	3,642
(F)Clinical Laboratory Improvement.....	710	800	951
(F)Epidemiology and Laboratory Surveillance and Response.....	76	323	323
(F)Emerging Infections Program.....	0	0	500
(A)Blood Lead Testing.....	14	10	12
(A)Blood Lead Specimen Testing.....	19	18	18
(A)Erythrocyte Protoporphyrin Testing.....	8	8	8
(A)Reproduction and Search Fees.....	2	1	1
(A)Alcohol Proficiency Testing.....	63	63	63
(A)Drug Abuse Proficiency.....	109	110	111
(A)Licensure for Clinical Laboratories.....	315	316	316
(A)Low Volume Proficiency Testing.....	57	56	56
(A)Training Course Fees.....	7	1	8
(A)AIDS Special Pharmaceutical Services.....	43	125	0
(A)CD4 Testing.....	0	0	58

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
(A)DUI Testing.....	0	0	30
Subtotal.....	\$ 4,511	\$ 5,088	\$ 6,097
State Health Care Centers.....	15,605	16,384^g	16,645
(F)Refugee Health Services.....	56	70	70
(F)Disease Control Immunization.....	7,503	9,959 ^h	10,505
(F)PHHSBG - Block Program Services.....	6,410	6,543	5,650
(A)Departmental Services.....	3	4	4
Subtotal.....	\$ 29,577	\$ 32,960	\$ 32,874
Coal Workers' Respiratory Diseases.....	196	200	200
(F)Black Lung Clinic.....	435	750	751
Subtotal.....	\$ 631	\$ 950	\$ 951
Sexually Transmitted Disease Screening and Treatment.....	1,108	1,127	1,177
(F)Survey and Follow-Up - Sexually Transmitted Diseases.....	2,769	3,503	3,504
Subtotal.....	\$ 3,877	\$ 4,630	\$ 4,681
Subtotal - State Funds.....	\$ 52,323	\$ 56,105	\$ 60,432
Subtotal - Federal Funds.....	62,549	75,696	79,763
Subtotal - Augmentations.....	3,671	3,810	3,670
Total - General Government.....	\$ 118,543	\$ 135,611	\$ 143,865
Grants and Subsidies:			
Primary Health Care Practitioner.....	\$ 3,058	\$ 3,160	\$ 3,160
(F)Loan Repayment Program.....	239	500	445
Subtotal.....	\$ 3,297	\$ 3,660	\$ 3,605
Cancer Programs.....	3,536	3,595	3,595
(F)Breast and Cervical Cancer Program.....	2,387	3,192	3,276
(F)Comprehensive Cancer Control Program.....	0	0	309
Subtotal.....	\$ 5,923	\$ 6,787	\$ 7,180
AIDS Programs.....	6,528	6,528	6,528
(F)AIDS Health Education.....	2,838	3,168	3,641
(F)HIV Care.....	6,429	7,806	7,806
(F)Housing Opportunities for People with AIDS.....	947	1,400	1,400
Subtotal.....	\$ 16,742	\$ 18,902	\$ 19,375
Regional Cancer Institutes.....	1,550	2,000	2,000
School District Health Services.....	39,279	39,867	40,464
Local Health Departments.....	24,357	26,313	26,836
Local Health - Environmental.....	7,254	7,398	7,354
Maternal and Child Health.....	3,150	3,465	3,905
(F)MCH Lead Poisoning Prevention and Abatement.....	1,350	4,540	4,505
(F)MCHSBG - Program Services.....	13,668	14,187	14,978
(F)Women, Infants and Children (WIC).....	131,988	160,387	153,738
(F)Abstinence Education.....	1,074	2,161	3,185
(F)Child Lead Poison/Environmental Lead Assessment.....	97	0	0
(F)Environmental Assessment - Child Lead Poisoning.....	0	263	301
(F)Neural Tube Defects Surveillance.....	0	0	150
(F)Newborn Screening.....	106	0	0
(F)Birth Defects Registry.....	9	199	72
(F)Screening Newborns.....	0	106	161
(A)Environmental Assessments.....	11	234	0
(F)Children's Health Insurance Program (CHIP).....	0	0	2,981
(A)Departmental Services.....	119	210	115
Subtotal.....	\$ 151,572	\$ 185,752	\$ 184,091
Assistance to Drug and Alcohol Programs.....	37,160	37,410	38,173



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
(F)SABG - Drug and Alcohol Services.....	53,063	51,656	50,536
(F)Substance Abuse Program Support Service Grants.....	2,302	1,091	0
(F)Substance Abuse Special Project Grants.....	561	760	647
(F)DFSC - Special Programs for Student Assistance.....	1,106	1,125	1,125
(F)DCSI - Adult Offender Treatment.....	0	285	422
(A)State Stores Fund Transfer.....	1,117	1,478	1,317
Subtotal.....	\$ 95,309	\$ 93,805	\$ 92,220
Tuberculosis Screening and Treatment.....	1,012	1,009	1,009
(F)Tuberculosis Control Program.....	173	220	220
Subtotal.....	\$ 1,185	\$ 1,229	\$ 1,229
Renal Dialysis.....	8,154	9,255	8,255
Services for Children with Special Needs.....	1,732	1,732	1,732
Adult Cystic Fibrosis.....	391	391	721
Cooley's Anemia.....	195	198	198
Hemophilia.....	1,594	1,594	1,594
Sickle Cell.....	1,203	1,503	1,503
Hepatitis Screening and Prevention.....	0	300	300
Regional Poison Control Centers.....	1,250	1,250	1,250
Trauma Programs Coordination.....	200	250	250
Trauma Systems.....	50	125	125
Epilepsy Support Services.....	150	450	450
Keystone State Games.....	220	220	220
Bio-Technology Research.....	1,500	1,750	1,750
Tourette Syndrome.....	100	100	100
Emergency Care Research.....	200	200	200
Fox Chase Institute for Cancer Research.....	860	860	860
The Wistar Institute - Research: Operation and Maintenance.....	237	237	237
The Wistar Institute - Research: AIDS Research.....	102	102	102
Central Penn Oncology Group.....	143	143	143
Cardiovascular Studies - University of Pennsylvania.....	132	132	132
Cardiovascular Studies - St. Francis Hospital.....	132	132	132
St. Christopher's Hospital: Cerebral Palsy.....	791	791	791
St. Christopher's Hospital: Disabled Children's Clinic.....	166	166	166
Lancaster - Cleft Palate Clinic.....	56	56	56
Pittsburgh - Cleft Palate Clinic.....	56	56	56
Tay Sachs Disease - Jefferson Medical College.....	56	56	56
Burn Foundation.....	462	462	462
Rehabilitation Institute of Pittsburgh.....	770	770	770
Subtotal - State Funds.....	\$ 147,786	\$ 154,026	\$ 155,635
Subtotal - Federal Funds.....	218,337	253,046	249,898
Subtotal - Augmentations.....	1,247	1,922	1,432
Total - Grants and Subsidies.....	\$ 367,370	\$ 408,994	\$ 406,965
STATE FUNDS.....	\$ 200,109	\$ 210,131	\$ 216,067
FEDERAL FUNDS.....	280,886	328,742	329,661
AUGMENTATIONS.....	4,918	5,732	5,102
GENERAL FUND TOTAL.....	\$ 485,913	\$ 544,605	\$ 550,830
OTHER FUNDS:			
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Emergency Medical Services.....	\$ 8,631	\$ 8,800	\$ 9,200
Catastrophic Medical and Rehabilitation.....	4,000	3,400	2,751
EMERGENCY MEDICAL SERVICES OPERATING FUND TOTAL.....	\$ 12,631	\$ 12,200	\$ 11,951

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
ORGAN DONATION AWARENESS TRUST FUND:			
Implementation Costs (EA).....	\$ 89	\$ 105	\$ 5
Hospital and Other Medical Costs (EA).....	0	60	33
Grants to Certified Procurement Organizations (EA).....	183	376	91
Project Make-A-Choice (EA).....	12	90	50
ORGAN DONATION AWARENESS TRUST FUND TOTAL.....	\$ 284	\$ 631	\$ 179
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 200,109	\$ 210,131	\$ 216,067
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	280,886	328,742	329,661
AUGMENTATIONS.....	4,918	5,732	5,102
OTHER FUNDS.....	12,915	12,831	12,130
TOTAL ALL FUNDS.....	\$ 498,828	\$ 557,436	\$ 562,960

^a Includes \$24,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes recommended supplemental appropriation of \$270,000.

^c Includes \$11,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^e Actually appropriated as \$1,995,000. Amount shown is the best current estimate for the amount available for 1998-99. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

^f Includes \$4,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^g Includes \$20,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^h Actually appropriated as \$12,649,000. Amount shown is the best current estimate for the amount available for 1998-99. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.

ⁱ Actually appropriated in the Department of Education.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
HEALTH SUPPORT SERVICES							
GENERAL FUND.....	\$ 29,429	\$ 32,199	\$ 36,087	\$ 35,442	\$ 35,938	\$ 36,652	\$ 37,382
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	43,903	52,692	56,769	56,872	56,872	56,872	56,872
OTHER FUNDS.....	3,434	3,591	3,436	3,436	3,436	3,436	3,436
SUBCATEGORY TOTAL.....	\$ 76,766	\$ 88,482	\$ 96,292	\$ 95,750	\$ 96,246	\$ 96,960	\$ 97,690
HEALTH RESEARCH							
GENERAL FUND.....	\$ 8,560	\$ 9,220	\$ 9,348	\$ 9,463	\$ 9,580	\$ 9,699	\$ 9,821
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,223	1,665	2,000	2,000	2,000	2,000	2,000
OTHER FUNDS.....	234	215	230	230	230	230	230
SUBCATEGORY TOTAL.....	\$ 10,017	\$ 11,100	\$ 11,578	\$ 11,693	\$ 11,810	\$ 11,929	\$ 12,051
PREVENTIVE HEALTH							
GENERAL FUND.....	\$ 105,774	\$ 110,033	\$ 111,860	\$ 112,325	\$ 112,566	\$ 112,912	\$ 113,266
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	178,293	218,718	217,411	217,411	217,411	217,411	217,411
OTHER FUNDS.....	133	448	119	119	119	119	119
SUBCATEGORY TOTAL.....	\$ 284,200	\$ 329,199	\$ 329,390	\$ 329,855	\$ 330,096	\$ 330,442	\$ 330,796
HEALTH TREATMENT SERVICES							
GENERAL FUND.....	\$ 19,186	\$ 21,269	\$ 20,599	\$ 20,599	\$ 20,599	\$ 20,599	\$ 20,599
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	435	750	751	751	751	751	751
OTHER FUNDS.....	12,915	12,831	12,130	12,130	12,579	12,579	12,579
SUBCATEGORY TOTAL.....	\$ 32,536	\$ 34,850	\$ 33,480	\$ 33,480	\$ 33,929	\$ 33,929	\$ 33,929
DRUG AND ALCOHOL ABUSE PREVENTION AND TREATMENT							
GENERAL FUND.....	\$ 37,160	\$ 37,410	\$ 38,173	\$ 38,173	\$ 38,173	\$ 38,173	\$ 38,173
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	57,032	54,917	52,730	52,730	52,730	52,730	52,730
OTHER FUNDS.....	1,117	1,478	1,317	1,285	1,250	1,214	1,176
SUBCATEGORY TOTAL.....	\$ 95,309	\$ 93,805	\$ 92,220	\$ 92,188	\$ 92,153	\$ 92,117	\$ 92,079
ALL PROGRAMS:							
GENERAL FUND.....	\$ 200,109	\$ 210,131	\$ 216,067	\$ 216,002	\$ 216,856	\$ 218,035	\$ 219,241
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	280,886	328,742	329,661	329,764	329,764	329,764	329,764
OTHER FUNDS.....	17,833	18,563	17,232	17,200	17,614	17,578	17,540
DEPARTMENT TOTAL.....	\$ 498,828	\$ 557,436	\$ 562,960	\$ 562,966	\$ 564,234	\$ 565,377	\$ 566,545

PROGRAM OBJECTIVE: To provide effective administration and support systems through which the substantive programs of the health delivery system and the department can be achieved.

Program: Health Support Services

Health Support Services provides administrative and technical systems which support disease prevention and treatment. Also included in this program are quality assurance activities and State Laboratory facilities.

The Division of Health Statistics serves as the designated State Center for Health Statistics which is the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health statistics and information. The division collects statistical information on the health status of the population including leading causes of death, life expectancy and infant mortality. The division handles about 3,500 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. Many of the department's publications and statistics are also available through the Internet and can be found at the department's homepage.

The Department of Health administers studies related to the etiology, distribution and trends of major diseases. The department provides epidemiologic assessment of health problems that include environmental occupational hazards, health risk behaviors and life styles of the general public or selected populations. The department also provides professional consultation and technical support for other agencies, county health departments and local municipalities.

The Quality Assurance program conducts surveys and inspections of health care facilities, drug and alcohol programs, and intermediate care facilities to determine compliance with State and Federal standards and regulations and as a condition of receiving Federal Medicare and Medicaid financial support. The surveys determine compliance with various standards including sanitation, fire safety, health and level of care. If deficiencies are noted, a plan for correction is required. Facilities unable or unwilling to correct deficiencies according to a plan agreeable to the department are subject to various penalties.

The frequency of inspections varies by type of facility as required by either State or Federal law or regulations. Initial inspections are conducted prior to issuances of licenses. Acute care hospitals are surveyed and licensed on a two-year cycle, or a three-year cycle if the hospital participates in the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) linkage program. Nursing homes are subject to annual inspections. Home Health agencies are inspected every 36 months. Currently,

ten percent of other outpatient facilities or services such as primary care and physical, speech and occupational therapy providers, ambulatory/surgical facilities, and rural health clinics are inspected annually. More frequent inspections are made in response to complaints or life-threatening situation and more frequent reviews will result from proposed program initiatives.

The Bureau of Managed Care is responsible for consumer protection for health care provided through managed care plans including health maintenance organizations (HMOs), preferred provider organizations (PPOs) and point of service (POS) products. It licenses new plans, ensures availability and accessibility of health services in plan "service areas" and monitors quality of care through periodic inspections and external quality reviews. The bureau also establishes rules for consumer grievances and hears appeals from dissatisfied members. It reviews and approves provider contracts and reimbursement methods. It establishes rules and monitors delegation of essential managed care functions. The bureau develops policies and guidelines for licensure and regulation of new developments in managed care such as physician-hospital organizations (PHOs), integrated delivery systems, and medical service organizations, and collects and analyzes managed care data to identify trends. It licenses and oversees capitated dental plans (dental HMOs), traditional PPOs, nonprofit medical-surgical, vision, and dental plans (including Pennsylvania Blue Shield), and coordinated care organizations (CCOs) under the Workers' Compensation Act. Under Act 68 of 1998, the bureau certifies managed care utilization review organizations and monitors compliance with utilization review standards. Finally, it monitors, researches and develops policy for general health financing and reimbursement issues, health cost-containment initiatives and health reform proposals.

The department operates the Public Health Laboratory which maintains a state of readiness to support the investigation of disease outbreaks or threats to the public health. The State Laboratory performs approximately 130,000 tests each year for diseases including HIV, rabies, hypothyroidism, blood lead, phenylketonuria, tuberculosis and maple syrup urine disease. The State Laboratory supports disease prevention through the provision of investigatory, diagnostic and confirmatory testing for both infectious and non-infectious diseases. It establishes and monitors the performance standards for 7,100 clinical and physician office laboratories in the Commonwealth. The State Laboratory also recommends certification of clinical laboratories under the requirements of the Federal Clinical Laboratory Improvement Amendments.



Program: Health Support Services (continued)

Program Measures:

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Health care facilities in Pennsylvania with required surveys completed:							
Hospitals (biennially)	90%	90%	90%	90%	90%	90%	90%
Skilled and intermediate care nursing homes	100%	100%	100%	100%	100%	100%	100%
Intermediate care facilities/MR	100%	100%	100%	100%	100%	100%	100%
Home health agencies	100%	100%	100%	100%	100%	100%	100%
Psychiatric hospitals	100%	0%	0%	0%	0%	0%	0%

Psychiatric hospital surveys are now being completed by a contractor through the Department of Public Welfare rather than by Department of Health's surveyors.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 87 —Initiative — Enhanced Emergency Medical Services. To enhance emergency medical services throughout the Commonwealth.</p> <p>94 —to continue current program.</p> <p>137 —Initiative — Strengthening Managed Care Oversight. To enhance quality health care accountability of managed care organizations through expanded oversight.</p> <p>151 —Initiative — Enhanced Epidemiological Capacity. To effectively prevent and control infectious disease through enhanced surveillance and risk assessment activities.</p> <p>200 —to conduct public awareness campaigns for the cancer program.</p> <p>218 —Initiative — Expanded Public Health Training. To broaden the focus of the public health training to all areas of health care and disease prevention.</p> <p>343 —Year 2000 conversions, including embedded technologies.</p> <p>2,177 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides resources to convert the mainframe system to a client server system to enhance regulatory and licensing functions, enable network systems to meet Statewide standards, and improve data collection and analysis capabilities. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.</p> <hr/> <p>\$ 3,407 <i>Appropriation Increase</i></p>	<p>Quality Assurance</p> <p>\$ -461 —implementation of time and complaint systems.</p> <p>-31 —nonrecurring operating and fixed asset costs.</p> <p>-4 —nonrecurring Year 2000 initiative.</p> <p>592 —Initiative — Enhanced Quality Assurance. To enhance quality assurance oversight of hospitals, home health agencies and other care facilities by strengthening the state licensure and federal certification processes and improving complaint investigation capabilities.</p> <hr/> <p>\$ 96 <i>Appropriation Increase</i></p> <p>State Laboratory</p> <p>\$ -8 —nonrecurring Year 2000 initiative.</p> <p>143 —to continue current program.</p> <p>250 —direct appropriation of Viral Load Testing funds formerly augmented from the Department of Public Welfare.</p> <hr/> <p>\$ 385 <i>Appropriation Increase</i></p>
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This budget also recommends \$155,000 in Federal funds to enhance quality assurance oversight of drug and alcohol treatment programs.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 18,954	\$ 20,110	\$ 23,517	\$ 22,351	\$ 22,585	\$ 23,033	\$ 23,490
Quality Assurance	7,387	8,832	8,928	9,376	9,564	9,754	9,950
State Laboratory	3,088	3,257	3,642	3,715	3,789	3,865	3,942
TOTAL GENERAL FUND	\$ 29,429	\$ 32,199	\$ 36,087	\$ 35,442	\$ 35,938	\$ 36,652	\$ 37,382



PROGRAM OBJECTIVE: To develop better basic scientific knowledge of the nature of disease, illness and the environment which will improve the use of existing and new health resources.

Program: Health Research

The Division of Vital Records is the repository for over 30 million records of births, deaths, fetal deaths, marriages and divorces which occur in the Commonwealth. Through automation of this operation, all Pennsylvania birth records from 1923 to the present are available through the department's computer system at all branch offices. The system processes more than 600,000 requests 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 report of missing children. Birth and death records are also available on microfilm for preservation and retrieval if required.

The program also provides funds to various medical institutions across the State which provide specialized medical services to Commonwealth citizens.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed	393,500	391,700	390,200	389,100	386,600	385,500	384,500
Percent registered and processed within 30 days	70%	77%	80%	85%	85%	85%	85%
Applications for certified copies of birth and death records filled	600,980	612,000	615,000	620,000	622,000	625,000	628,000

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-67	Vital Statistics
	10	—nonrecurring Year 2000 initiative.
		—to implement Internet capability for birth and death certificate applications.
	185	—to continue current program.
\$	128	Appropriation Increase

All other appropriations are included at current year funding levels.



Includes PRIME recommendation of developing an electronic system that would allow customers to apply for various certificates available through the Department of Health.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Vital Statistics	\$ 5,404	\$ 5,614	\$ 5,742	\$ 5,857	\$ 5,974	\$ 6,093	\$ 6,215
Regional Cancer Institutes	1,550	2,000	2,000	2,000	2,000	2,000	2,000
Fox Chase Institute for Cancer Research ...	860	860	860	860	860	860	860
The Wistar Institute — Research:							
Operation and Maintenance	237	237	237	237	237	237	237
The Wistar Institute — Research:							
AIDS Research	102	102	102	102	102	102	102
Central Penn Oncology Group	143	143	143	143	143	143	143
Cardiovascular Studies — University of Pennsylvania	132	132	132	132	132	132	132
Cardiovascular Studies — St. Francis Hospital	132	132	132	132	132	132	132
TOTAL GENERAL FUND	\$ 8,560	\$ 9,220	\$ 9,348	\$ 9,463	\$ 9,580	\$ 9,699	\$ 9,821

PROGRAM OBJECTIVE: To reduce morbidity and mortality through the early detection of disease and health defects and the promotion of sound health practices and remedial care.

Program: Preventive Health

A key to the promotion of sound health practices is insuring that all Pennsylvanians are able to access a range of preventive health and early disease detection services. Outreach and education services facilitated by the Department of Health make people aware of the importance of proper health practices and the availability of services to meet their needs.

The department, through its network of six district offices, 57 State health centers, and three local pilot community health projects, provides a limited range of public health services. These programs include communicable disease tracking, investigation, intervention and control services, family health and chronic disease assessment and intervention services, and special environmental health services. There are also six county and four city health departments that provide an additional range of individual and environmental public health services within their jurisdictions and are funded through grants and contracts awarded by the department.

To improve the availability of health care in underserved rural and urban areas, the department has established grant programs which enhance the recruitment and retention of primary health care physicians and other health professionals. These grants include awards to medical schools to increase the supply of general practitioners, student intern programs to provide clinic services, and educational loan forgiveness to professionals practicing in targeted areas.

In addition to these general activities to promote sound health practices, the department provides a variety of programs targeted to specific populations and diseases that represent significant health risks.

Program Element: Woman and Infant Programs

The department funds initiatives in selected high prevalence areas to reduce the incidence of unintended pregnancy among teens. It has begun a five year comprehensive, Statewide plan to promote community-directed, abstinence education programs to postpone sexual activity and avoid pregnancy among young adolescents. This Abstinence Education and Related Services initiative is part of the Governor's Project for Community Building.

The department has developed a maternal and child health outreach program called "Love 'em with a Checkup" to address the problems of infant mortality and low birth weight. This outreach campaign alerts women to the importance of early prenatal care and primary care for children. It also provides information on access and appropriate use of health services. The department also developed a similar information and referral program for

parents of children with special health care needs, called the "Special Kids Network."

The Genetics Program ensures access to genetic screening, education, and counseling services for families. It encourages the assessment of patient genetic risks through primary health care providers and pays directly for testing and counseling services for eligible low-income patients. The program targets education and services to underserved populations and areas of the State.

The Women, Infants, and Children (WIC) Program is a Federally-funded program administered by the department. It serves pregnant, breast-feeding, and postpartum women, infants, and children up to five years of age who are at nutritional risk due to poor health, inadequate diet, and low income. The program supplies supplemental foods that are rich in nutrients frequently lacking in the diets of members of this target population. The program ensures that WIC participants receive routine health care, and that nutrition education and counseling are made available on a regular basis. Participants are also referred to other appropriate local medical, health, and social services. Program benefits promote optimal pregnancy outcome, improve participant use of pediatric and obstetrical services and enhance early interventions into potential health problems.

In order to minimize severe health risks to infants, the department conducts a Newborn Screening Program that includes testing for Phenylketonuria (PKU), Hypothyroidism, Sickle Cell Disease and Maple Syrup Urine Disease (MSUD). The department assures appropriate follow-up services for all newborns with abnormal or inconclusive test results. In addition, these newborns and their families are linked with treatment specialists who conduct diagnostic testing and coordinate the required care. The department also distributes specialized metabolic products Statewide for children and pregnant women with PKU or MSUD to lessen the adverse effects of those conditions.

The Sudden Infant Death Syndrome (SIDS) Program provides supportive services to families following a sudden infant death. Education regarding SIDS is provided to health professionals and others who normally interact with families following such a death.

The department facilitates a number of programs designed to help improve the health status of women. These programs range from a Statewide breast and cervical cancer early detection program, an HIV and pregnancy initiative, and a sexually transmitted disease program targeted to chlamydia and gonorrhea, to the development of a "Gift Giving Guide" to help promote and protect women's health.



Program: Preventive Health: (continued)

The department supports a special smoking cessation program for pregnant women. This includes a promotional campaign advising health care and child care providers of the availability of self help materials and training opportunities to help women quit smoking. Through a "train the trainers" mechanism, the department is developing Statewide smoking cessation programs.

Program Element: Children's Programs

The department's Immunization Program provides immunizations to infants, children, and youth to reduce the incidence of vaccine-preventable diseases in the Commonwealth. While vaccinations are encouraged for all ages, special emphasis is placed on reaching children less than two years old. The program also coordinates the surveillance of vaccine-preventable diseases, controls disease outbreaks, assesses immunization levels, conducts professional and public education programs, and initiates, processes, and evaluates the school immunization reporting system. In addition, the program provides vaccine and guidance to school districts for the provision of hepatitis B immunizations for 7th grade students. The department also promotes appropriate adult immunization services. These services range from assuring that senior citizens and others with chronic illnesses have access to annual influenza immunizations to providing assistance to volunteer fire companies, school districts, ambulance corps, correction officials, State Police, and other organizations to purchase hepatitis B vaccine via Federal contracts, which allows them to protect their at-risk staffs at greatly reduced rates.

The health hazards of environmental lead are addressed through the department's Childhood Lead Poisoning Prevention Program. The program identifies children with, or at risk for, lead poisoning. It assures timely medical follow-up, environmental investigation, and reduction of lead hazards in order to prevent adverse effects on intellectual functioning, behavior and overall health status attributable to lead exposure. Appropriate educational, medical and environmental follow-up is provided for the family of each child with a positive screening test result.

The School Health Program supports health services for all children who are attending elementary or secondary school, either public or private. The program reimburses 501 school districts and nine vocational technical schools for a portion of the costs associated with providing school nursing and dental services.

Program Element: Other Health Promotion and Disease Prevention Programs

The department ensures that all residents of the Commonwealth are served through a communicable disease epidemiological surveillance, investigation and control system. Reported cases of communicable diseases are investigated by the department to determine the infection source, transmission mode and control measures to prevent additional cases. The agency also provides a secure,

confidential Statewide disease surveillance system. This computerized system compares incidence and prevalence rates and identifies risk factors. Disease trends are determined and corrective action recommended to abate or ameliorate public health risks. Diseases investigated range from giardiasis, hepatitis, salmonellosis, shigellosis, rabies and Lyme disease, to tuberculosis, AIDS, and the other prevalent sexually transmitted diseases.

Chronic disease control and injury prevention program activities are increasing in light of the fact that chronic diseases and injuries and their associated risk factors are the leading causes of preventable morbidity and mortality within the Commonwealth.

The department's Cardiovascular Risk Reduction program implements risk-reduction measures that address premature morbidity and mortality from cardiovascular disease (the leading cause of death in Pennsylvania). The program focuses on modification of primary risk factors such as uncontrolled high blood pressure, high blood cholesterol, tobacco use, improper dietary practices, physical inactivity, and stress.

The department's Diabetes Control Program helps reduce the risk of complications resulting from this chronic disease. This is accomplished by facilitating community and hospital-based diabetes patient and professional education programs.

The Tobacco Control Program is designed to reduce the use of tobacco products by residents and control the epidemic of tobacco-related disease, disability and death. The key focus is to reach children, adolescents, and retailers with a "no-tobacco use or sale" message to prevent addiction to nicotine in cigarettes and other tobacco products. The program also collects and analyzes intervention and prevention data, promotes public awareness and oversees the Clean Indoor Air Law in conjunction with the Department of Agriculture and the network of local health departments.

The department conducts an Injury Prevention Program to reduce the incidence of predictable and preventable injuries through the development of surveillance systems, programs for at-risk populations and training for health professionals. The department supports injury prevention programs such as the SafeKIDS coalition to raise public awareness of childhood injuries, educate parents and caregivers about safer environments for children, and provide programs on fire safety, poisoning and drowning.

The department's Acquired Immune Deficiency Syndrome (AIDS) programs are a coordinated strategy to prevent and change high-risk behaviors and provide resources and direction for sustaining preventive behavior and avoiding infection with the Human Immunodeficiency Virus (HIV). Emphasis is placed on enhancing local decision-making processes and targeting activities to local needs through seven regional planning coalitions. The educational program includes on-site training of diverse



Program: Preventive Health: (continued)

groups, both print and electronic public information service, consultation with small businesses and community intervention projects. Confidential HIV testing and partner notification services are also provided.

The Sexually Transmitted Disease (STD) program is designed to reduce the incidence of syphilis, gonorrhea, chlamydia, and herpes through diagnosis and treatment of people infected with the disease. Counseling and follow-up of infected patients helps identify sex partners who may be at risk of developing a sexually transmitted disease and refers them for appropriate health care. Special attention is provided for pregnant women with chlamydia and gonorrhea to prevent complications among newborns.

The Tuberculosis Control Program provides outpatient examination, diagnosis and appropriate treatment for persons infected with tuberculosis. Key to preventing the spread of the disease is contact examination and preventive therapy to close contacts of infectious cases or other high-risk people.

The Oral Health Program provides oral and dental health educational material primarily in schools and county health offices that are designed to encourage the prevention of tooth decay, periodontal (gum) disease, and other oral diseases. The program also promotes the beneficial health effects of fluoridation of public water systems.

The department maintains a Statewide cancer registry of incidence and mortality data, along with relevant demographic and geographic information on each case. Over 250 hospitals report all diagnoses of malignant conditions to the registry. Staff conducts quality assessment reviews on this data at approximately 115 reporting hospitals each fiscal year. The data base provides important information for planning, implementation, research and evaluation. The department has developed and implemented a number of cancer prevention and early detection programs. This includes a breast and cervical cancer education and early detection program.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Women and children's programs:							
Percent low birth weight live births	7.6%	7.6%	7.6%	7.6%	7.7%	7.7%	7.7%
Average number of persons participating in women, infants and children (WIC) programs each month	249,541	250,000	250,000	250,000	250,000	250,000	250,000
Other communicable disease programs:							
HIV tests at publicly-funded sites	43,513	46,000	48,000	50,000	52,000	52,000	52,000
Percentage of persons screened found with gonorrhea	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Communicable disease incidences reported:							
Gonorrhea	10,224	11,500	11,500	11,500	11,500	11,500	11,500
Infectious Syphilis	106	150	150	150	150	150	150
AIDS	2,400	2,400	2,600	2,600	2,800	2,800	2,800
Primary care physicians receiving loan repayment forgiveness	93	95	96	107	118	129	130
Cancer abstracts received	107,000	108,000	109,000	110,000	110,000	112,000	113,000

Reported gonorrhea cases decreased from those shown in last year's budget projection based on actual data which reflects a nationwide downward trend.

Reported infectious syphilis cases decreased from those shown in last year's budget due to more extensive screening and partner notification services provided. Future years include provision for sporadic outbreaks typical of this disease.

Reported AIDS cases decreased from the amounts listed in last year's budget due to the continuation of relatively new treatments which restrain HIV diagnosis from becoming full AIDS cases.

Primary care physicians receiving loans decreased from those shown in last year's budget due to a decrease in the number of applicants. This stems from uncertainties in the medical industry and increased number of foreign medical students placed in underserved areas which is accomplished through cooperation with the Federal Appalachian Regional Commission and the Immigration and Naturalization Service.

Cancer abstracts received decreases from those shown in last year's budget based on actual data and reflects a decreased incidence of duplication and the effect of managed care on multiple abstract filings.

Program: Preventive Health: (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ -3 —nonrecurring Year 2000 initiative.</p> <p>-21 —nonrecurring operating costs.</p> <p>100 —Initiative—Community Health Partnerships. To enhance the efforts of community health partnerships to improve community health care.</p> <p>185 —Initiative—Improved Oversight of Public Bathing Places. To provide a comprehensive, year-round inspection program for public swimming pools and beaches.</p> <hr/> <p>\$ 261 <i>Appropriation Increase</i></p> <p>Sexually Transmitted Disease Screening and Treatment</p> <p>\$ 50 —to include screenings for herpes simplex, human papillomavirus, and others.</p> <p>School District Health Services</p> <p>\$ 597 —to continue current program.</p>	<p>\$ 523</p> <p>\$ -44</p> <p>\$ 440</p>	<p>Local Health Departments —to continue current program.</p> <p>Local Health-Environmental —reduced costs based on current population projections.</p> <p>Maternal and Child Health —to directly appropriate State funds for environmental lead investigations and newborn screening services.</p>
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All other appropriations are recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Diabetes Programs	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461	\$ 461
State Health Care Centers	15,605	16,384	16,645	17,110	17,351	17,697	18,051
Sexually Transmitted Disease Screening and Treatment	1,108	1,127	1,177	1,177	1,177	1,177	1,177
Primary Health Care Practitioner	3,058	3,160	3,160	3,160	3,160	3,160	3,160
Cancer Programs	3,536	3,595	3,595	3,595	3,595	3,595	3,595
AIDS Programs	6,528	6,528	6,528	6,528	6,528	6,528	6,528
School District Health Services	39,279	39,867	40,464	40,464	40,464	40,464	40,464
Local Health Departments	24,357	26,313	26,836	26,836	26,836	26,836	26,836
Local Health - Environmental	7,254	7,398	7,354	7,354	7,354	7,354	7,354
Maternal and Child Health	3,150	3,465	3,905	3,905	3,905	3,905	3,905
Tuberculosis Screening and Treatment	1,012	1,009	1,009	1,009	1,009	1,009	1,009
Epilepsy Support Services	150	450	450	450	450	450	450
Keystone State Games	220	220	220	220	220	220	220
Tay Sachs Disease - Jefferson Medical College	56	56	56	56	56	56	56
TOTAL GENERAL FUND	\$ 105,774	\$ 110,033	\$ 111,860	\$ 112,325	\$ 112,566	\$ 112,912	\$ 113,266



PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Health Treatment Services

The department has the responsibility of coordinating a variety of specialized medical services for Commonwealth patients. The department also pays for these services in cases where all other available resources, including Medical Assistance, have been accessed.

Program Element: Inpatient Services

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care while remaining consistent with standards of good medical practice. Inpatient hospital and nursing care is provided for only the most acute medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible, are using outpatient services in lieu of hospital admissions. Inpatient care is provided for the treatment of tuberculosis, cleft palate, cystic fibrosis, spina bifida, children's cardiac conditions, and orthopedic, speech and hearing problems.

Program Element: Outpatient Services

Outpatient treatment services are more economical and cost-effective than inpatient care and are utilized whenever possible to provide needed treatment services for chronic diseases (including respiratory), physical rehabilitation and reconstruction, catastrophic blood disorders and acute conditions.

Clinical services are offered in a variety of settings, including State and community health centers, family planning clinics and practicing physicians' offices. Minors may seek and receive care under the treatment of minors provisions of the Disease Prevention and Control Law.

The Division of Special Health Care Needs provides case management through a system of information and referral which is coordinated by one Statewide contractor and implemented by six regional contractors (Regional Resource Centers) located in the department's six health districts. Through the Family Focus Early Intervention System, grants are made for family support and community development activities related to the division. A family consultant is located in each tertiary children's hospital to assist and advocate for families as they access services. This consultant links families back to the Regional Resource Center for information and referral to local services.

The Services for Children with Special Needs Program provides Statewide case management and support services to children with chronic respiratory failure who are ventilator dependent, allowing them to receive life-support equipment and nursing care in their homes. The program also assists

individuals with spina bifida who have health care costs which are not covered by insurance or third party resources. In a joint effort to improve utilization of State funds, as many children as possible who are eligible for Medical Assistance receive all medically necessary services through the Medical Assistance Program in the Department of Public Welfare.

Children's rehabilitative services are provided through outpatient clinics to children from newborn to age 21 with cardiac, orthopedic, cystic fibrosis, cleft palate, and craniofacial anomalies, and hearing and speech disorders. Services for these patients include case management, evaluation, diagnosis, medical and rehabilitative services, and follow-up treatments.

The Hemophilia Program utilizes eight specialized centers to provide comprehensive evaluation, rehabilitation services and blood products for outpatient or home use. Patients must be registered with a center to receive these benefits and must ensure that third party resources are used before State program funds are expended.

Sickle Cell Anemia is a genetically determined red blood cell disorder which affects approximately two percent of the African-American population in Pennsylvania. Patients receive medical and psychosocial services at 15 different service sites.

The Cooley's Anemia Program identifies children and adults with this chronic blood disorder and provides comprehensive care including social services, vocational planning, family screening and counseling.

The Adult Cystic Fibrosis Program provides comprehensive treatment and care coordination to an increasing number of adults who survive this chronic childhood condition.

The department provides extensive outpatient support services to adults with chronic respiratory diseases. The Coal Miners' Chronic Respiratory Disease Program provides screening, diagnostic, rehabilitative, educational, referral and follow-up care to all miners with pulmonary disease within the Commonwealth.

The Chronic Renal Disease Program provides dialysis, renal transplant, drugs, certain physician fees, medical supplies and transportation services to persons with chronic renal failure. The department's Health Promotion Program conducts a public information and education program to encourage organ and tissue donation as one means of eliminating this disease and prolonging life.

The department is the lead agency for the Commonwealth emergency medical services system as defined in Act 45 of 1985 known as the Emergency Medical

Program: Health Treatment Services (continued)

Services Act. This includes planning, developing, implementing and evaluating the system through sixteen regional councils, a Statewide advisory council and the trauma systems foundation. This program is responsible for licensure of ambulances, medical command facility accreditation, medical command physician recognition, training institute accreditation, certification of prehospital practitioners and distribution of funding. 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 regional case managers and head injury rehabilitation providers in the Commonwealth. Funding is made available through the Emergency Medical Services Operating Fund included in the Special Fund Appendix.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Minimum number of children and adults receiving outpatient treatment through department supported programs:							
Hemophilia	1,106	1,106	1,100	1,100	1,100	1,100	1,100
Phenylketonuria	597	612	632	645	660	670	680
Renal disease	7,485	7,500	7,500	7,500	7,500	7,500	7,500
Cooley's Anemia	43	43	43	43	43	43	43
Sickle Cell Anemia	1,722	1,792	1,870	1,950	2,030	2,110	2,200
Spina Bifida	1,161	1,161	1,160	1,160	1,160	1,160	1,160
Home Ventilators	148	196	196	196	196	196	196
Chronic respiratory disease	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Children's rehabilitative services	3,004	3,004	3,200	3,300	3,350	3,400	3,400

Data describing the number of persons receiving inpatient hospital care has been deleted from the department's program measures because the number of patients has successfully dropped to fewer than fifty cases.

Children receiving home ventilator services increases in the current and future years from those shown in last year's budget due to increased number of diagnosed, eligible patients.

Persons receiving outpatient services for chronic respiratory disease decreases from those shown in last year's budget due to improved data collection methods.

Children receiving rehabilitative services decreases from those shown in last year's budget based on actual data.

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Renal Dialysis \$ -1,000 —to reflect the ongoing effects from pharmaceutical rebates of 17 percent of manufacturer's price as authorized by Act 134 of 1997.</p>	<p>Adult Cystic Fibrosis \$ 330 —Initiative — Enhanced Cystic Fibrosis Drug Treatment. To enhance drug therapies to treat pulmonary infections in individuals with cystic fibrosis.</p>
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All other appropriations are recommended at the current year funding level.

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program in the Department of Public Welfare utilizes \$449,000 in Catastrophic Medical and community-based services for 14 individuals with traumatic brain injury.

Program: Health Treatment Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Organ Donation	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Coal Workers' Respiratory Diseases	196	200	200	200	200	200	200
Renal Dialysis	8,154	9,255	8,255	8,255	8,255	8,255	8,255
Services for Children with Special Needs	1,732	1,732	1,732	1,732	1,732	1,732	1,732
Adult Cystic Fibrosis	391	391	721	721	721	721	721
Cooley's Anemia	195	198	198	198	198	198	198
Hemophilia	1,594	1,594	1,594	1,594	1,594	1,594	1,594
Sickle Cell	1,203	1,503	1,503	1,503	1,503	1,503	1,503
Hepatitis Screening and Prevention	0	300	300	300	300	300	300
Regional Poison Control Centers	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Trauma Programs Coordination	200	250	250	250	250	250	250
Trauma Systems	50	125	125	125	125	125	125
Bio-Technology Research	1,500	1,750	1,750	1,750	1,750	1,750	1,750
Tourette Syndrome	100	100	100	100	100	100	100
Emergency Care Research	200	200	200	200	200	200	200
St. Christopher's Hospital: Cerebral Palsy ..	791	791	791	791	791	791	791
St. Christopher's Hospital: Disabled							
Children's Clinic	166	166	166	166	166	166	166
Lancaster — Cleft Palate Clinic	56	56	56	56	56	56	56
Pittsburgh — Cleft Palate Clinic	56	56	56	56	56	56	56
Burn Foundation	462	462	462	462	462	462	462
Rehabilitation Institute of Pittsburgh	770	770	770	770	770	770	770
TOTAL GENERAL FUND	\$ 19,186	\$ 21,269	\$ 20,599	\$ 20,599	\$ 20,599	\$ 20,599	\$ 20,599

PROGRAM OBJECTIVE: To provide education, intervention and treatment programs to reduce drug and alcohol abuse and dependency.

Program: Drug and Alcohol Abuse Prevention and Treatment

This program provides counties with funding to purchase drug and alcohol services for Pennsylvanians who do not have insurance or resources to pay for treatment. Single County Authorities (SCA) prepare prevention, intervention and treatment plans tailored to the needs of their respective geographic areas. The department approves these plans and formulates a Statewide program based on those findings.

The prevention program provides current information on the effects of drugs and alcohol and assists 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 those individuals affected by drug or alcohol problems. Services include information hotlines, drop-in centers, alcohol safety programs and occupational programs. The Student Assistance Program (SAP), which encompasses all 501 Commonwealth school districts, provides school personnel with the knowledge and skills needed to identify students

using alcohol or drugs. Students are referred to professional evaluators and, if needed, receive treatment services. Special services are designed to divert certain criminal offenders into rehabilitation programs.

Treatment services are funded in hospitals, prisons, shelters, residential units and outpatient programs. Treatment often consists of short-term detoxification followed by a longer term rehabilitation. Most inpatient services are rendered in a nonhospital setting. Outpatient services may follow discharge from a residential program, however, many persons receive their initial treatment in an outpatient setting. Typically, admissions to treatment are approximately 52 percent drug related and 48 percent alcohol related. Males represent 71 percent of all treatment admissions. After alcohol, the second most predominant drug abuse problem is cocaine use. Multiple drug use is also a significant problem.

Drug and alcohol education and training programs are provided for substance abuse and human services professionals. Issues such as prevention, intervention and treatment are addressed through a variety of educational initiatives. This program is accompanied by Federal Drug and Alcohol programs totaling over \$50 million.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Prevention Services:							
School personnel trained by Student Assistance Program	11,100	11,100	11,100	11,100	11,100	11,100	11,100
Students referred for assistance by Student Assistance Program	16,451	16,616	16,782	16,949	17,119	17,290	17,463
Treatment Services:							
Residential programs licensed/approved	323	323	323	323	323	323	323
Outpatient programs licensed/approved	785	785	785	785	785	785	785
Patients enrolled in treatment:							
Male	43,866	44,200	44,600	45,000	45,400	45,800	46,200
Female	18,256	18,500	18,701	18,900	19,100	19,300	19,500
Admissions with primary diagnosis:							
Drug abuse	32,073	32,500	32,500	32,500	32,500	32,500	32,500
Alcohol abuse	30,049	30,000	30,000	30,000	30,000	30,000	30,000
Percent of admissions completing treatment	32%	33%	34%	35%	36%	37%	38%

Residential and Outpatient programs licensed/approved increased from those shown in last year's budget due to better data collection methods which incorporate all facility services provided.

Patients enrolled in treatment-female decreased from those shown in last year's budget due to increased managed care enrollment.

The percent of admissions completing treatment decreased from those shown in last year's budget due to increased managed care enrollment.

Program: Drug and Alcohol Abuse Prevention and Treatment (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

		Assistance to Drug and Alcohol Programs
\$	15	—to match Federal funds for a Drug Control and System Improvement (DCSI) project.
	748	—to provide a two percent cost-of-living adjustment.
<u>\$</u>	<u>763</u>	<i>Appropriation Increase</i>

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Assistance to Drug and Alcohol Programs	\$ 37,160	\$ 37,410	\$ 38,173	\$ 38,173	\$ 38,173	\$ 38,173	\$ 38,173



HIGHER EDUCATION ASSISTANCE AGENCY

The Higher Education Assistance 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 grant program.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Positioning to Compete in the 21st Century Digital Economy		
	SciTech and GI Bill Scholarships.....	\$ 16,534
	SciTech and GI Bill Scholarships Administration.....	<u>661</u>
	Subtotal.....	\$ 17,195
<p>This Program Revision provides resources to establish technology scholarships to attract and retain knowledge workers. This is part of the \$28.7 million Positioning to Compete in the 21st Century Digital Economy Program Revision. Please see the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information on this Program Revision.</p>		
	Department Total.....	<u>\$ 17,195</u>



Higher Education Assistance Agency

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Grants to Students.....	\$ 249,407	\$ 266,866	\$ 280,209
(F)Byrd Scholarships.....	0	1,656	1,256
Matching Payments for Student Aid Funds.....	8,397	8,397	9,237
Institutional Assistance Grants.....	36,745	37,939	38,887
Horace Mann Bond-Leslie Pinckney Hill Scholarship.....	750 ^a	750 ^a	750
Loan Forgiveness.....	2,340	402	0
Agricultural Loan Forgiveness.....	177	212	177
Child Care Loan Forgiveness.....	100	100	0
SciTech and GI Bill Scholarships.....	0	0	16,534
SciTech and GI Bill Scholarships - Administration.....	0	0	661
Cheyney University Keystone Academy.....	0	0	500
Subtotal - State Funds.....	<u>\$ 297,916</u>	<u>\$ 314,666</u>	<u>\$ 346,955</u>
Subtotal - Federal Funds.....	0	1,656	1,256
Total - Grants and Subsidies.....	<u>\$ 297,916</u>	<u>\$ 316,322</u>	<u>\$ 348,211</u>
STATE FUNDS.....	\$ 297,916	\$ 314,666	\$ 346,955
FEDERAL FUNDS.....	0	1,656	1,256
GENERAL FUND TOTAL.....	<u>\$ 297,916</u>	<u>\$ 316,322</u>	<u>\$ 348,211</u>
OTHER FUNDS:			
HIGHER EDUCATION ASSISTANCE FUND:			
Guaranteed Loan Loss Reserve.....	\$ 127,915	\$ 108,438	\$ 116,390
State/Federal Education Loan Programs.....	244,815	194,108	206,311
Federal Administration Augmentations.....	3,277	1,055	1,057
Contract Servicing.....	98,127	103,796	106,543
Paul Douglas Teacher Scholarships.....	28	0	0
Robert Byrd Scholarships.....	1,237	1,256	1,256
State Student Incentive Grant.....	2,241	1,378	0
Transfers Augmenting Appropriations.....	1,870	1,213	1,462
Primary Health Care.....	854	1,108	1,223
Miscellaneous.....	529	745	746
National Guard.....	80	30	30
Christa McAuliffe Scholarship.....	43	83	42
HIGHER EDUCATION ASSISTANCE FUND TOTAL.....	<u>\$ 481,016</u>	<u>\$ 413,210</u>	<u>\$ 435,060</u>
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 297,916	\$ 314,666	\$ 346,955
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	1,656	1,256
OTHER FUNDS.....	481,016	413,210	435,060
TOTAL ALL FUNDS.....	<u>\$ 778,932</u>	<u>\$ 729,532</u>	<u>\$ 783,271</u>

^a Actually appropriated as Equal Opportunity Professional Education.



Higher Education Assistance Agency

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
FINANCIAL ASSISTANCE TO STUDENTS							
GENERAL FUND.....	\$ 261,171	\$ 276,727	\$ 308,068	\$ 324,602	\$ 341,136	\$ 341,136	\$ 341,136
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,656	1,256	1,256	1,256	1,256	1,256
OTHER FUNDS.....	481,016	413,210	435,060	435,060	435,060	435,060	435,060
SUBCATEGORY TOTAL.....	\$ 742,187	\$ 691,593	\$ 744,384	\$ 760,918	\$ 777,452	\$ 777,452	\$ 777,452
FINANCIAL AID TO INSTITUTIONS							
GENERAL FUND.....	\$ 36,745	\$ 37,939	\$ 38,887	\$ 38,887	\$ 38,887	\$ 38,887	\$ 38,887
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.....	\$ 36,745	\$ 37,939	\$ 38,887	\$ 38,887	\$ 38,887	\$ 38,887	\$ 38,887
ALL PROGRAMS:							
GENERAL FUND.....	\$ 297,916	\$ 314,666	\$ 346,955	\$ 363,489	\$ 380,023	\$ 380,023	\$ 380,023
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,656	1,256	1,256	1,256	1,256	1,256
OTHER FUNDS.....	481,016	413,210	435,060	435,060	435,060	435,060	435,060
DEPARTMENT TOTAL.....	\$ 778,932	\$ 729,532	\$ 783,271	\$ 799,805	\$ 816,339	\$ 816,339	\$ 816,339

Higher Education Assistance Agency

PROGRAM OBJECTIVE: To provide financial assistance to Commonwealth residents in order to promote access to institutions of higher education.

Program: Financial Assistance to Students

The Pennsylvania Higher Education Assistance Agency (PHEAA) offers three financial assistance programs to students in the form of grants, work study awards and guaranteed student loans. Funds for the various financial assistance programs flow through the Higher Education Assistance Fund. The Higher Education Assistance Fund is shown in the Special Funds Appendix.

Direct grants to students are funded by an annual appropriation from the General Fund and interest earnings from the deposit of that appropriation in the PHEAA Fund and Federal State Student Incentive Grant funds. The PHEAA Board annually determines by regulation the distribution of funds to applicants on criteria including family income, family size and the cost of the institution the student will be attending.

The objective of the program is to reduce financial barriers and thereby provide access to higher education for all Commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between public colleges and universities and private universities, colleges and postsecondary schools.

The Federal Family Education Loan Program (FFELP), established by the Federal Government and administered by PHEAA, enables students to secure long-term loans

from lending institutions. A supplemental student loan program funded by the issuance of tax-exempt loans was authorized by Act 330 of 1982, amended by Act 5 of 1985. Under this program tax-exempt bonds are issued to fund a loan program for students who need additional assistance. PHEAA includes in this program funds for parents to obtain loans for the education of their children and a special loan program for students in the health professions.

The Matching Funds Program provides funds to match Federal and other funds for Perkins Loans, Match Grants and Work-Study awards which students earn through several on-campus and off-campus job opportunities and for activities related to the professional development of financial aid personnel. The On-Campus Jobs Program generally provides employment in campus services; off-campus jobs place students in career and course of study related work in local communities.

The Horace Mann Bond-Leslie Pinckney Hill Scholarship program (formerly the Equal Opportunity Professional Education Program) provides grants to minority graduates of Lincoln and Cheyney Universities to enter graduate programs of the Commonwealth Universities.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Grants to Students:							
Applications for grants	368,943	370,006	373,710	377,450	381,220	385,030	388,880
Applications complete and needs tested for eligibility	231,962	223,068	227,530	232,080	236,720	241,450	246,280
Eligible applicants—meeting qualifications ..	156,643	155,621	159,970	164,440	169,030	173,750	178,600
Eligible applicants not enrolled at a college/university	15,497	15,650	16,090	16,540	17,000	17,470	17,960
Eligible applicants enrolled and accepting grants	141,146	139,971	143,880	147,900	152,030	156,280	160,640
Grant amount as percent of applicants total educational cost	13.5%	14.1%	14.2%	14.2%	14.2%	14.2%	14.2%
Work Study:							
Students assisted by Federal, State and private funds	55,000	55,900	60,625	65,475	70,700	76,300	82,400
Student work study earnings (in millions) ...	\$65.4	\$65.4	\$68.6	\$72.0	\$75.7	\$79.4	\$83.4
Student Loans:							
Federally guaranteed loans	515,717	517,660	528,013	538,573	549,345	560,332	571,538

Students assisted by Federal, State and private funds previously included students at institutions where federal work study funds were available but a State match was not provided. The revised measure includes only students whose work study program is supported with State matching funds.

Student work study earnings previously included only student earnings related to the 100% state-funded work study program. It now includes earnings for students participating in the Federal/State matching work study program.

Higher Education Assistance Agency

Program: Financial Assistance to Students (continued)

Program Recommendations:

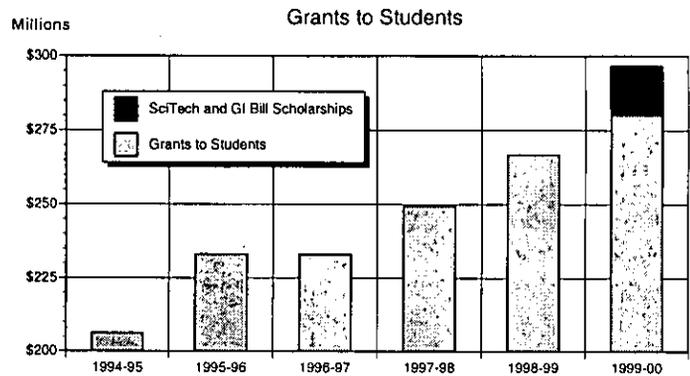
This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 13,343	Grants to Students —Initiative — Enhancements to the Student Grant Program. To increase the number of grant recipients by 1,800 over the revised 1998-99 estimate of 128,500 students to a 1999-00 estimate of 130,300 full time equivalent students and to increase the average award from \$2,063 to \$2,132.
\$ 840	Matching Payments for Student Aid Funds —to provide match for increased Federal funds.
\$ -402	Loan Forgiveness —this budget recommends elimination of this program.
\$ -35	Agricultural Loan Forgiveness —cost reduction due to carryover funds.
\$ -100	Child Care Loan Forgiveness —this budget recommends elimination of this program.
\$ 16,534	SciTech and GI Bill Scholarships —PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision provides scholarships to qualified students majoring in science or technology-related fields of study in order to expand and support a knowledge-based workforce. See the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information.

SciTech and GI Bill Scholarships — Administration
—PRR — Positioning to Compete in the 21st Century Digital Economy. This Program Revision provides administrative support for a new scholarship program for qualified students majoring in science or technology-related fields of study in order to expand and support a knowledge-based workforce. See the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information.

Cheyney University Keystone Academy
—to recruit gifted students to enroll at Cheyney University.

Student Aid Higher Education Assistance Agency



State funding for student aid has increased over \$90 million or nearly 44 percent since 1994-95.

The Horace Mann Bond – Leslie Pinckney Hill Scholarship appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Grants to Students	\$ 249,407	\$ 266,866	\$ 280,209	\$ 280,209	\$ 280,209	\$ 280,209	\$ 280,209
Matching Payments for Student Aid Funds	8,397	8,397	9,237	9,237	9,237	9,237	9,237
Horace Mann Bond – Leslie Pinckney Hill Scholarship	750	750	750	750	750	750	750
Loan Forgiveness	2,340	402	0	0	0	0	0
Agricultural Loan Forgiveness	177	212	177	177	177	177	177
Child Care Loan Forgiveness	100	100	0	0	0	0	0
SciTech and GI Bill Scholarships	0	0	16,534	33,068	49,602	49,602	49,602
SciTech and GI Bill Scholarships — Administration	0	0	661	661	661	661	661
Cheyney University Keystone Academy	0	0	500	500	500	500	500
TOTAL GENERAL FUND	\$ 261,171	\$ 276,727	\$ 308,068	\$ 324,602	\$ 341,136	\$ 341,136	\$ 341,136



Higher Education Assistance Agency

PROGRAM OBJECTIVE: To assist independent post-secondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

Program: Financial Aid to Institutions

The Institutional Assistance Grants Program, which began in 1974, provides grants to assist independent post-secondary institutions which are nonprofit, nondenominational and nonrecipients of direct State appropriations.

The appropriated funds provide equal per capita grants to the schools based on the number of student grant recipients enrolled during the academic year. Eighty-four institutions are expected to participate in the 1999-00 program.

The program helps to preserve and develop the diverse system of higher education in Pennsylvania by allowing private 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 full student access to institutions in all sectors by assisting student attendance at Pennsylvania independent colleges and universities.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Eligible grant recipients enrolled at eligible independent institutions	37,802	37,655	38,068	38,068	38,068	38,068	38,068
Per capita grant	\$ 978	\$ 1,011	\$ 1,026	\$ 1,026	\$ 1,026	\$ 1,026	\$ 1,026

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 948 **Institutional Assistance Grants**
—to provide a 2.5% increase.

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Institutional Assistance Grants	\$ 36,745	\$ 37,939	\$ 38,887	\$ 38,887	\$ 38,887	\$ 38,887	\$ 38,887



HISTORICAL AND MUSEUM COMMISSION

The Historical and Museum Commission is the official agency for the conservation and presentation of Pennsylvania's historic heritage. In executing its responsibilities, the commission provides educational and recreational facilities to the public through historical, archeological and museum research, administration of public records, museum exhibition and interpretation, and historic site development.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 250
<p>This Program Revision provides information technology for the improvement of archival record keeping and information technology for the management, collection, and dissemination of geospatial data. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total.....	\$ 250



Historical and Museum Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 17,238 ^a	\$ 18,873 ^b	\$ 19,838
(F)Historic Preservation.....	804	1,000	1,000
(F)PA Historical Records Advisory Board.....	45	0	0
(F)PA Historical Records Advisory Board.....	0	45	0
(F)January 1996 Storm Disaster.....	31	0	0
(F)January 1996 Storm Disaster - Public Assistance.....	4	0	0
(F)Intermodal Surface Transportation Safety Act.....	47	37	0
(F)Surface Mining Review.....	32	55	55
(F)Railroad Museum Improvement.....	1,312	1,308	0
(F)Environmental Review.....	94	95	100
(F)Pennsbury Manor Improvement Project.....	0	30	0
(F)Erie Maritime Center.....	40	10	0
(A)Historic Preservation Fund.....	365	665	665
(A)PA Turnpike Commission.....	26	25	25
(A)Architectural Services.....	1	0	0
(A)Keystone Recreation, Park & Conservation Fund.....	230	262	270
Subtotal.....	\$ 20,269	\$ 22,405	\$ 21,953
Maintenance Program.....	1,000	1,000	1,000
Subtotal.....	\$ 1,000	\$ 1,000	\$ 1,000
Subtotal - State Funds.....	\$ 18,238	\$ 19,873	\$ 20,838
Subtotal - Federal Funds.....	2,409	2,580	1,155
Subtotal - Augmentations.....	622	952	960
Total - General Government.....	\$ 21,269	\$ 23,405	\$ 22,953
<i>Grants and Subsidies:</i>			
Museum Assistance Grants.....	\$ 5,400	\$ 4,000	\$ 4,000
Regional History Centers.....	1,000	250	0
University of Pennsylvania Museum.....	181	199	199
Carnegie Museum of Natural History.....	181	199	199
Carnegie Science Center.....	181	199	199
Franklin Institute Science Museum.....	547	602	602
Academy of Natural Sciences.....	335	369	369
African American Museum in Philadelphia.....	256	282	282
Everhart Museum.....	33	36	36
Mercer Museum.....	139	153	153
Whitaker Center for Science and the Arts.....	100	110	110
Total - Grants and Subsidies.....	\$ 8,353	\$ 6,399	\$ 6,149
STATE FUNDS.....	\$ 26,591	\$ 26,272	\$ 26,987
FEDERAL FUNDS.....	2,409	2,580	1,155
AUGMENTATIONS.....	622	952	960
GENERAL FUND TOTAL.....	\$ 29,622	\$ 29,804	\$ 29,102
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:			
<i>Grants and Subsidies:</i>			
Historic Site Development - Bond Proceeds (EA).....	\$ 1,935	\$ 1,335	\$ 0
Historic Site Development - Realty Transfer Tax (EA).....	7,615	9,912	6,341
Total - Grants and Subsidies.....	\$ 9,550	\$ 11,247	\$ 6,341
KEYSTONE RECREATION, PARK AND CONSERVATION FUND TOTAL.....	\$ 9,550	\$ 11,247	\$ 6,341

Historical and Museum Commission

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
OTHER FUNDS:			
GENERAL FUND:			
Historical Preservation Act of 1966.....	\$ 0	\$ 80	\$ 80
HISTORICAL PRESERVATION FUND:			
Historical Preservation Fund.....	\$ 4,904	\$ 5,000	\$ 5,000
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 26,591	\$ 26,272	\$ 26,987
SPECIAL FUNDS.....	9,550	11,247	6,341
FEDERAL FUNDS.....	2,409	2,580	1,155
AUGMENTATIONS.....	622	952	960
OTHER FUNDS.....	4,904	5,080	5,080
TOTAL ALL FUNDS.....	\$ 44,076	\$ 46,131	\$ 40,523

^a Actually appropriated as \$16,794,000 for General Government Operations and \$444,000 for Records and Management Information.

^b Includes \$23,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
STATE HISTORIC PRESERVATION							
GENERAL FUND.....	\$ 18,238	\$ 19,873	\$ 20,838	\$ 21,209	\$ 21,613	\$ 22,026	\$ 22,445
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,409	2,580	1,155	1,155	1,155	1,155	1,155
OTHER FUNDS.....	5,526	6,032	6,040	6,059	6,080	6,101	6,122
SUBCATEGORY TOTAL.....	\$ 26,173	\$ 28,485	\$ 28,033	\$ 28,423	\$ 28,848	\$ 29,282	\$ 29,722
MUSEUM ASSISTANCE							
GENERAL FUND.....	\$ 8,353	\$ 6,399	\$ 6,149	\$ 6,149	\$ 6,149	\$ 6,149	\$ 6,149
SPECIAL FUNDS.....	9,550	11,247	6,341	5,904	6,051	6,636	7,245
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 17,903	\$ 17,646	\$ 12,490	\$ 12,053	\$ 12,200	\$ 12,785	\$ 13,394
ALL PROGRAMS:							
GENERAL FUND.....	\$ 26,591	\$ 26,272	\$ 26,987	\$ 27,358	\$ 27,762	\$ 28,175	\$ 28,594
SPECIAL FUNDS.....	9,550	11,247	6,341	5,904	6,051	6,636	7,245
FEDERAL FUNDS.....	2,409	2,580	1,155	1,155	1,155	1,155	1,155
OTHER FUNDS.....	5,526	6,032	6,040	6,059	6,080	6,101	6,122
DEPARTMENT TOTAL.....	\$ 44,076	\$ 46,131	\$ 40,523	\$ 40,476	\$ 41,048	\$ 42,067	\$ 43,116

Historical and Museum Commission

PROGRAM OBJECTIVE: To manage and safeguard Pennsylvania's historic resources through a comprehensive history and museum program to educate and to interpret, research and preserve all areas of Pennsylvania history.

Program: State Historic Preservation

The State Historical 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 element provides general policy and direction for administering the commission's operations. It includes legislative and press relations, personnel management, procurement, information technology, financial grant administration, fiscal and revenue management, and other services. In addition, it administers a Property Management and Lease Program through cooperative agreements with management groups or profit and nonprofit organizations to operate, maintain and utilize historic sites, buildings and agricultural lands under the custody of the commission.

Program Element: State and Local Records

This element is supported by the State Archives, the Land Office, the Computer Output Microfilm Program and the State Records Center. The State Archives is responsible for evaluating State and political subdivision records of the Commonwealth to determine administrative, legal or historical value; processing records disposition requests; developing appropriate records management and archival programs; and providing public access of records, manuscripts and materials deemed appropriate for placement in the State Archives. The commission's archival program also provides information, microfilm, photographs and other materials, and makes available finding aids and guides for researchers and the general public. The Land Office maintains and preserves the records of the first titles acquired by the proprietaries and the Commonwealth to all the lands within Pennsylvania's boundaries, the conveyances and purchasers of the land; papers relating to the surveys of the State boundary lines; and maps and other papers pertaining to the colonial history of Pennsylvania.

The State Archives, the Computer Output Microfilm Program and the State Records Center offers Pennsylvania

and its political subdivisions opportunities for solving the serious problem of managing paper and electronic records. Planning efforts have already been initiated in cooperation with the Office of Administration to insure that short and long-range strategies are developed for records management that will guide Pennsylvania into the 21st century.

Program Element: Historic Site and Museum Operations

This element supports the operation of 28 historic sites and museums throughout the Commonwealth including the State Museum of Pennsylvania. This program provides educational collections and exhibition programs for interpreting Pennsylvania history, cooperative initiatives with associate organizations on educational and public events and programs presenting rural and urban life along with lectures and seminars, curatorial methods and ethnic studies to bring history to the public. This program element provides a variety of support services including architectural and design activities in support of a preservation maintenance program; administration of the Keystone Recreation, Park and Conservation Fund Grant Program for commission properties; collections management and conservation; marketing; and other historic site and museum activities and services. The State Museum administers the Mobile Museum Program which brings Pennsylvania history to the people.

Program Element: Historic Preservation

This element 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; provide a survey and National Register nomination program; maintain an information network providing direction and assistance to local preservation organizations; administer an archeological program to improve policies and procedures and provide direction to the professional and advocational community; and preserve and protect endangered historic public and private buildings, structures and landmarks through a nonprofit Statewide revolving fund.



Historical and Museum Commission

Program: State Historic Preservation (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
State and Local Records							
Pages of archives and historical manuscripts (in thousands)	186,000	189,000	192,000	195,000	198,000	198,000	201,000
Service request responses (History, Archives and Land Records)	81,000	82,000	83,000	84,000	85,000	86,000	87,000
Historic Site and Museum Operations							
Annual visits to commission historical sites and museums (in thousands)	1,377	1,500	1,600	1,700	1,700	1,700	1,700
Historic markers	1,700	1,730	1,760	1,790	1,820	1,850	1,880
Historic Preservation							
Evaluations for the National Register of Historic Properties	502	525	550	575	600	650	650
Professional History and Museum Support Services							
Objects maintained and conserved (in thousands)	1,999	2,000	2,000	2,000	2,001	2,001	2,001
Commission buildings undergoing improvement	84	80	75	75	75	75	75

Annual visits to commission historical sites and museums has decreased from those shown in last year's budget due to more recent data.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND</p> <p>General Government Operations</p> <p>\$ 345 —to continue current program.</p> <p>370 —Initiative — Administrative Support for Historic Sites and Museums. To provide administrative support at the State Records Center, the Joseph Priestly House, the Landis Valley Museum, and the Railroad Museum of Pennsylvania.</p> <p>100 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative support and information technology for the management, collection and dissemination of geospatial data. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p>	<p>150 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative support and information technology to upgrade the archiving of State Government documents. See the Program Revision following the Executive Direction program in the Executive Offices for additional information.</p>	<p>\$ 965 <i>Appropriation Increase</i></p>
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The Maintenance Program appropriation is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 17,238	\$ 18,873	\$ 19,838	\$ 20,209	\$ 20,613	\$ 21,026	\$ 21,445
Maintenance Program	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL GENERAL FUND	\$ 18,238	\$ 19,873	\$ 20,838	\$ 21,209	\$ 21,613	\$ 22,026	\$ 22,445

Historical and Museum Commission

PROGRAM OBJECTIVE: To assure provision of representative artifacts, specimens of history, art and science for all citizens through the support of museums within the Commonwealth.

Program: Museum Assistance

This program is comprised of three major components: the Museum Assistance Program, Museum Assistance General Operating Support and the Keystone Recreation, Park and Conservation Fund. The three programs provide financial assistance designed to enhance the quality of history and museum activities in Pennsylvania.

The Museum Assistance and Local History Grant Program, established in 1985, is a competitive financial assistance process available to all qualified history related institutions within Pennsylvania. Through the established grant categories (Special Project Support, Technical Assistance, Local History, Local History General Operating and others) organizations may apply to the Historical and Museum Commission for projects ranging from the research of an historic event to a comprehensive exhibit plan and program having significant Statewide impact. Special Project Support Grants and Local History General Operating Grants, the largest of the financial award categories, require the successful grantee to provide dollar-for-dollar matching

funds. All other categories are non-matching, but grantees are encouraged to provide in-kind support where possible.

The Museum Assistance General Operating Program provides support to qualified history and cultural related institutions in the Commonwealth. Financial assistance to these institutions supports a portion of their general operating budgets.

The Keystone Recreation, Park and Conservation Fund Grant Program is a competitive grants process created by Act 1993-50. Funding is available to Pennsylvania non-profit organizations and public agencies that operate a publicly accessible historic property listed in, or eligible for, the National Register of Historic Places, or 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 the areas of redevelopment, preservation, and rehabilitation, restoration and other related projects.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Museum assistance competitive grants awarded	183	185	190	200	200	200	200
Museum assistance general operating support grants	159	120	120	120	125	125	125

Museum assistance general operating support grants awarded increased in 1997-98 compared to the projection in last year's budget due to an increased funding level.

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND Regional History Centers —nonrecurring appropriation.</p> <p>\$ -250</p>	<p>Historic Site Development — Realty Transfer Tax (EA) —nonrecurring projects.</p> <p>\$ -3,571</p>
<p>KEYSTONE RECREATION, PARK AND CONSERVATION FUND Historic Site Development — Bond Proceeds (EA) —nonrecurring appropriation.</p> <p>\$ -1,335</p>	

All other appropriations are recommended at the current year funding levels.



Historical and Museum Commission

Program: Museum Assistance (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Museum Assistance Grants	\$ 5,400	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Regional History Centers	1,000	250	0	0	0	0	0
University of Pennsylvania Museum	181	199	199	199	199	199	199
Carnegie Museum of Natural History	181	199	199	199	199	199	199
Carnegie Science Center	181	199	199	199	199	199	199
Franklin Institute Science Museum	547	602	602	602	602	602	602
Academy of Natural Sciences	335	369	369	369	369	369	369
African American Museum in Philadelphia ..	256	282	282	282	282	282	282
Everhart Museum	33	36	36	36	36	36	36
Mercer Museum	139	153	153	153	153	153	153
Whitaker Museum of Scientific Discovery ..	100	110	110	110	110	110	110
TOTAL GENERAL FUND	\$ 8,353	\$ 6,399	\$ 6,149	\$ 6,149	\$ 6,149	\$ 6,149	\$ 6,149
KEYSTONE RECREATION, PARK AND CONSERVATION FUND:							
Historic Site Development —							
Bond Proceeds (EA)	\$ 1,935	\$ 1,335	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Historic Site Development —							
Realty Transfer Tax (EA)	7,615	9,912	6,341	5,904	6,051	6,636	7,245
TOTAL KEYSTONE RECREATION, PARK AND CONSERVATION FUND	\$ 9,550	\$ 11,247	\$ 6,341	\$ 5,904	\$ 6,051	\$ 6,636	\$ 7,245



HOUSING FINANCE AGENCY

The Housing Finance Agency provides funding for construction and substantial rehabilitation of multi-family housing and purchase, rehabilitation, home improvement and energy conservation for single family homes.

A Homeowner's Emergency Assistance Program also provides assistance through the provision of temporary mortgage assistance payments to those threatened with loss of their home due to financial hardship.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Expanding Home and Community-Based Opportunities for Persons with Disabilities		

This Program Revision provides \$500,000 in Long-Term Care Intergovernmental Transfer funds from the Department of Community and Economic Development combined with \$250,000 in existing agency reserves to provide persons with disabilities financial assistance for home modifications and home ownership. This is part of the \$35.3 million Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision. Please see the Program Revision following the Human Services Program in the Department of Public Welfare for additional information on this Program Revision.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
Homeowners Emergency Mortgage Assistance.....	\$ 10,000	\$ 0	\$ 0
GENERAL FUND TOTAL.....	\$ 10,000	\$ 0	\$ 0



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
COMMUNITY DEVELOPMENT AND CONSERVATION							
GENERAL FUND.....	\$ 10,000	\$ 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.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
ALL PROGRAMS:							
GENERAL FUND.....	\$ 10,000	\$ 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.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0



PROGRAM OBJECTIVE: To provide and maintain adequate, affordable and safe housing for Commonwealth citizens.

Program: Community Development and Conservation

The Pennsylvania Housing Finance Agency (PHFA) operates programs to increase and protect the supply of decent, safe and affordable multi-family rental and single family homeownership housing. These programs are financed with proceeds from the sale of securities to private investors. The PHFA also operates the Homeowners Emergency Mortgage Assistance Program (HEMAP), a program to protect distressed homeowners from foreclosure.

The Single Family Homeownership Program is the PHFA homebuyer assistance program, which offers below market rate mortgage loans to first time buyers of single-family houses. Loans are available in all counties of the Commonwealth. Funds to operate the program come from the sale of mortgage revenue bonds. In 1997-98, \$375 million in taxable and tax-exempt bonds were sold to provide approximately 5,400 mortgages to first time homebuyers throughout Pennsylvania.

HEMAP was established by Act 91 of 1983, and amended by Act 160 of 1998. It was designed to protect citizens who, through no fault of their own, are in danger of losing their homes to foreclosure. In accomplishing this mandate, the program achieves the added benefit of preventing homelessness. Eligible applicants receive assistance in an amount sufficient to bring mortgage payments current and may also receive continuing

assistance for up to 24 months. HEMAP payments are loans upon which repayment begins and interest starts to accrue when the recipient is financially able to pay. Current law requires HEMAP loan recipients to repay their loans only so long as the recipient's housing expense (mortgage, taxes, utilities and insurance) does not exceed 40 percent of net household income (gross income minus federal, state and local income taxes).

Act 91 originally had a three year life, with an expiration date of December 23, 1986. The program has been extended twice. Act 182 of 1992 extended the program permanently.

Since inception, PHFA has committed financing to more than 54,000 apartment units and more than 74,000 single-family homes through the sale of over \$4 billion of tax-exempt and taxable bonds. PHFA's funds are combined with a wide variety of public and private sources to make the low-income projects feasible. It has channeled over \$177 million of General Fund monies into HEMAP to save more than 23,700 homes from foreclosure. General Fund monies have not been included for HEMAP beginning in 1998-99. Rather, HEMAP will continue to focus on the collection and use of repayments on outstanding loans to maintain the current program. The provisions of Act 160 of 1998 will move HEMAP from reliance on General Fund monies to a self-sustaining revolving loan program.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Approved mortgage assistance loans	2,094	2,094	1,500	1,350	1,250	1,200	1,200
Annual value of assistance loans recorded (in thousands)	\$19,886	\$19,886	\$14,500	\$12,000	\$10,500	\$9,000	\$9,000
Average mortgage assistance loan	\$9,497	\$9,497	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Mortgage assistance loans qualifying for repayment	4,500	4,500	5,500	5,500	5,500	5,500	5,500
Outstanding principal balance of mortgage assistance loans qualifying for repayment (in thousands)	\$42,736	\$52,233	\$53,000	\$54,000	\$54,000	\$54,000	\$54,000

Housing Finance Agency

Program: Community Development and Conservation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

The Expanding Home and Community Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program in the Department of Public Welfare recommends new and expanded housing programs. The Housing Finance Agency, with \$250,000 of its reserve funds, will expand its program to provide loans to low income individuals with disabilities for the down payment and closing costs on a home. With \$500,000 in additional funds from the Department of Community and Economic Development, the Housing Finance Agency will introduce a new program of loans for home modification which will accompany home purchase loans for persons with disabilities.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Homeowners Emergency Mortgage Assistance	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0





INFRASTRUCTURE INVESTMENT AUTHORITY

The Pennsylvania Infrastructure Investment Authority administers the PENNVEST program authorized in Act 16 of 1988. This program provides financial assistance in the form of loans and grants to municipal authorities and private owners for improving community drinking water supply systems, sewage treatment facilities and stormwater control systems.

Infrastructure Investment Authority

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
PENNVEST.....	\$ 0 ^a	\$ 0	\$ 0
(F)Sewage Projects Revolving Loan Fund.....	0	65,000	66,500
(F)Drinking Water Projects Revolving Loan Fund.....	0	25,550	50,300
(F)Rural Communities Wastewater Treatment.....	0	1,044	1,734
Subtotal - Federal Funds.....	0	91,594	118,534
Total - Grants and Subsidies.....	\$ 0	\$ 91,594	\$ 118,534
FEDERAL FUNDS.....	0	91,594	118,534
GENERAL FUND TOTAL.....	\$ 0	\$ 91,594	\$ 118,534
OTHER FUNDS:			
PENNVEST FUND:			
PENNVEST Operations (EA).....	\$ 2,601	\$ 2,829	\$ 2,683
Grants - Other Revenue Sources (EA).....	2,035	2,125	2,125
Revenue Bond Loan Pool (EA).....	0	10	10
Public Revolving Loans and Administration.....	38,169	38,000	40,000
Private Revolving Loans.....	1,309	1,500	2,000
PENNVEST FUND TOTAL.....	\$ 44,114	\$ 44,464	\$ 46,818
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND:			
PENNVEST Water Pollution Control Revolving Fund.....	\$ 45,569	\$ 13,000	\$ 13,300
Additional Sewage Projects Revolving Loans (EA).....	19,234	32,000	20,000
Sewage Projects Revolving Loan Fund.....	44,690	0 ^b	0 ^b
On-lot Sewage Disposal Systems.....	500	0 ^c	0 ^c
Rural Communities Wastewater Treatment.....	0	0 ^d	0 ^d
PENNVEST WATER POLLUTION CONTROL REVOLVING FUND TOTAL.....	\$ 109,993	\$ 45,000	\$ 33,300
PENNVEST DRINKING WATER REVOLVING FUND:			
PENNVEST Drinking Water Project Revolving Fund.....	\$ 46,446	\$ 5,900	\$ 12,000
Drinking Water Projects Revolving Loan Fund.....	3,740	0 ^e	0 ^e
Loan Program Administration.....	600	0 ^f	0 ^f
PENNVEST DRINKING WATER REVOLVING FUND TOTAL.....	\$ 50,786	\$ 5,900	\$ 12,000
PENNVEST REVOLVING FUND:			
PENNVEST Revolving Fund.....	\$ 979	\$ 3,000	\$ 2,750
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	0	91,594	118,534
OTHER FUNDS.....	205,872	98,364	94,868
TOTAL ALL FUNDS.....	\$ 205,872	\$ 189,958	\$ 213,402

^a Actual expenditures are shown in the PENNVEST Water Pollution Control Revolving Fund.

^b Not added to the total to avoid double counting Federal funds: 1998-99 Available is \$64,000,000 and 1999-00 Budget is \$65,500,000.

^c Not added to the total to avoid double counting Federal funds: 1998-99 Available is \$1,000,000 and 1999-00 Budget is \$1,000,000.

^d Not added to the total to avoid double counting Federal funds: 1998-99 Available is \$1,044,000 and 1999-00 Budget is \$1,734,000.

^e Not added to the total to avoid double counting Federal funds: 1998-99 Available is \$15,355,000 and 1999-00 Budget is \$40,000,000.

^f Not added to the total to avoid double counting Federal funds: 1998-99 Available is \$879,000 and 1999-00 Budget is \$2,300,000.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
PENNVEST							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	91,594	118,534	116,800	116,800	116,800	116,800
OTHER FUNDS.....	205,872	98,364	94,868	96,872	98,927	100,983	101,040
SUBCATEGORY TOTAL.....	\$ 205,872	\$ 189,958	\$ 213,402	\$ 213,672	\$ 215,727	\$ 217,783	\$ 217,840
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	91,594	118,534	116,800	116,800	116,800	116,800
OTHER FUNDS.....	205,872	98,364	94,868	96,872	98,927	100,983	101,040
DEPARTMENT TOTAL.....	\$ 205,872	\$ 189,958	\$ 213,402	\$ 213,672	\$ 215,727	\$ 217,783	\$ 217,840



Infrastructure Investment Authority

PROGRAM OBJECTIVE: To promote public health and a clean environment and to further economic development in the Commonwealth by providing a financing program, technical assistance and administrative support for community drinking water systems, municipal sewage treatment facilities and stormwater control projects.

Program: PENNVEST

The PENNVEST Program authorized by Act 16 of 1988 provides an investment pool of capital to rebuild and expand community drinking water systems and municipal sewage treatment facilities in the Commonwealth. These systems and facilities are essential for the protection of public health and the promotion of economic development. Many systems and facilities need to be repaired, upgraded or expanded to meet environmental standards and economic development goals. Act 5 of 1992 established a program to fund stormwater control projects. Funding these needed improvements has often proved difficult, especially for small communities.

Initial funding for the PENNVEST Fund came from several sources: the \$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. In addition, 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 additional funding. Added to this are interest earnings on the fund's cash flow, and interest and principal payments made on loans.

PENNVEST funds are used for loans and grants to municipalities, municipal authorities and private firms to

improve water, sewage and stormwater systems they own. Loans are available to individual homeowners to upgrade their on-lot septic systems. The Pennsylvania Infrastructure Investment Authority, supported by the Department of Environmental Protection, helps system owners apply for funding, provides technical assistance in planning and designing projects, and, if necessary, reviews the applicant operations to improve efficiency.

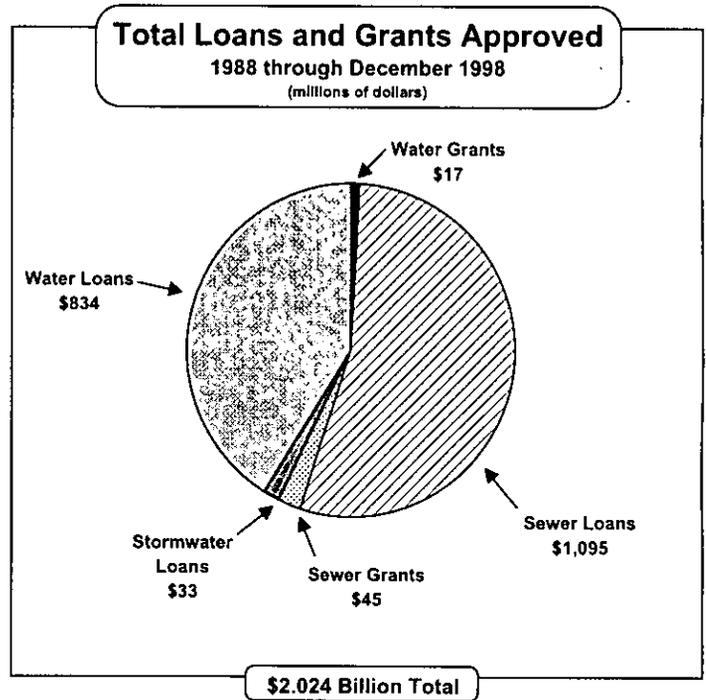
To facilitate fund management and accounting, several separate funds have been established. The PENNVEST Fund serves as the repository of interest and investment income, and loan repayments. Loans and grants and administrative costs are paid from this fund. The Water Pollution Control Revolving Fund combines the 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 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 and the PENNVEST Non-Revolving Equity Fund receive 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.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-2004
PENNVEST projects implemented	72	60	70	80	95	100	108
PENNVEST awards (in millions):							
Loans	\$ 126	\$ 181	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180
Grants	1	3	4	2	2	2	2
Total	\$ <u>127</u>	\$ <u>184</u>	\$ <u>184</u>	\$ <u>182</u>	\$ <u>182</u>	\$ <u>182</u>	\$ <u>182</u>

Infrastructure Investment Authority

Program: PENNVEST (continued)

The number of projects and awards has been changed from projections in last year's budget to show revised estimates based on actual activity.



Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Grant disbursements totalling \$2.125 million and administrative costs are to be funded from existing non-General Fund sources.



INSURANCE DEPARTMENT

The Insurance Department executes the insurance laws of the Commonwealth, examines and supervises domestic insurance companies, settles complaints and regulates insurance rates. The department also licenses Pennsylvania and out-of-state companies, makes investigations of alleged violations of the law and supervises the dissolution of insurance companies.

The Insurance Department also manages the Children's Health Insurance Program (CHIP), which provides free or subsidized health care insurance for children of low-income working parents.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds <small>(in thousands)</small>
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 241
<p>This Program Revision provides establishes an interactive voice response system to enable Pennsylvania-based insurance agents to obtain licensing information through an entirely automated system. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total.....	\$ 241



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 16,377	\$ 16,547 ^a	\$ 17,668
(A)Companies in Liquidation.....	778	1,410	1,325
(A)Duplicating and Mailing Services.....	53	20	20
(A)Workers' Compensation Security Services.....	198	217	217
(A)Reimbursements - Examination Travel.....	708	575	575
(A)Reimbursements - Market Conduct Travel.....	120	75	75
(A)Underground Storage Tank Indemnification Fund Expense.....	14	14	18
(A)Reimbursement - Catastrophic Loss Benefits Continuation Fund.....	24	25	24
(A)Insurance Fraud Prevention Authority.....	0	179	169
Children's Health Insurance Administration.....	98 ^b	450	1,049
(F)Children's Health Insurance Administration.....	0	930	2,099
Children's Health Insurance.....	0	15,000	35,000
(F)Children's Health Insurance Program.....	2,015	40,316 ^c	115,901
Subtotal - State Funds.....	\$ 16,475	\$ 31,997	\$ 53,717
Subtotal - Federal Funds.....	2,015	41,246	118,000
Subtotal - Augmentations.....	1,895	2,515	2,423
Total - General Government.....	\$ 20,385	\$ 75,758	\$ 174,140
STATE FUNDS.....	\$ 16,475	\$ 31,997	\$ 53,717
FEDERAL FUNDS.....	2,015	41,246	118,000
AUGMENTATIONS.....	1,895	2,515	2,423
GENERAL FUND TOTAL.....	\$ 20,385	\$ 75,758	\$ 174,140
OTHER FUNDS:			
GENERAL FUND:			
Children's Health Insurance Program.....	\$ 32,279	\$ 31,400	\$ 29,700
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND:			
Administration (EA).....	\$ 1,269	\$ 1,305	\$ 1,229
Claims (EA).....	16,200	15,300	14,300
Loan Repayment(EA).....	4,000	12,000	12,000
CATASTROPHIC LOSS BENEFITS CONTINUATION FUND TOTAL.....	\$ 21,469	\$ 28,605	\$ 27,529
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND:			
Administration (EA).....	\$ 5,501	\$ 3,941	\$ 4,985
Claims (EA).....	31,500	31,500	40,000
UNDERGROUND STORAGE TANK INDEMNIFICATION FUND TOTAL.....	\$ 37,001	\$ 35,441	\$ 44,985
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 16,475	\$ 31,997	\$ 53,717
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	2,015	41,246	118,000
AUGMENTATIONS.....	1,895	2,515	2,423
OTHER FUNDS.....	90,749	95,446	102,214
TOTAL ALL FUNDS.....	\$ 111,134	\$ 171,204	\$ 276,354

^a Includes \$23,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Actually appropriated as part of the \$16,475,000 for General Government Operations.

^c Actually appropriated as \$80,316,000. Amount shown is the best current estimate of the amount available for 1998-99. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
INSURANCE INDUSTRY REGULATION							
GENERAL FUND.....	\$ 16,475	\$ 31,997	\$ 53,717	\$ 53,854	\$ 54,231	\$ 54,616	\$ 55,008
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,015	41,246	118,000	118,000	118,000	118,000	118,000
OTHER FUNDS.....	92,644	97,961	104,637	104,110	103,785	100,916	91,249
SUBCATEGORY TOTAL.....	\$ 111,134	\$ 171,204	\$ 276,354	\$ 275,964	\$ 276,016	\$ 273,532	\$ 264,257
ALL PROGRAMS:							
GENERAL FUND.....	\$ 16,475	\$ 31,997	\$ 53,717	\$ 53,854	\$ 54,231	\$ 54,616	\$ 55,008
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,015	41,246	118,000	118,000	118,000	118,000	118,000
OTHER FUNDS.....	92,644	97,961	104,637	104,110	103,785	100,916	91,249
DEPARTMENT TOTAL.....	\$ 111,134	\$ 171,204	\$ 276,354	\$ 275,964	\$ 276,016	\$ 273,532	\$ 264,257

PROGRAM OBJECTIVE: To serve Pennsylvania's insurance consumers through fair and efficient regulation of the insurance industry.

Program: Insurance Industry Regulation

The Insurance Department's responsibilities are to protect insurance companies and consumers by providing adequate safeguards, to ensure that products are available at an affordable price, and to provide a fair regulatory climate that will encourage insurance companies to conduct business in the Commonwealth.

The Insurance Department regulates all aspects of the insurance industry in Pennsylvania. It supervises the operation of 1,600 insurance companies; authorizes the admission of new insurers to the State; tests and licenses insurance agents, brokers and bondsmen; reviews and pre-approves over 20,000 rate and policy form filings each year; examines the financial solvency of 90 insurance companies annually; conducts adjudicatory hearings; and handles nearly 300,000 consumer inquiries annually.

The financial condition of insurers licensed to transact business in Pennsylvania is monitored and regulated through the department's examination and financial analysis functions. Because of the concern regarding the number of financially troubled insurers and national attention focused on the quality of state regulation and insurer solvency, the department has committed additional resources to improvements in solvency regulation. An automated solvency surveillance system designed to permit earlier identification of potentially troubled insurers has been implemented, and resources continue to be focused on improving the effectiveness of regulatory actions taken to require insurers to correct problems before they lead to insolvency. These actions, together with statutory reforms, brought Pennsylvania into compliance with minimum standards for state regulation of insurer solvency developed by the National Association of Insurance Commissioners, and led to that organization affirming, in December 1994, the department's five-year accreditation.

The Insurance Department's four regional offices provide the public with insurance information, education and complaint resolution services. The department also conducts field investigations of insurance law violations and undertakes on-site market conduct examinations of insurance company operations.

The Insurance Commissioner by law serves as Statutory Liquidator/Receiver for Pennsylvania domestic insurers found to be insolvent by the Commonwealth Court and for unlicensed insurance entities.

The department also manages the Children's Health Insurance Program (CHIP), which was established in Act 113 of 1992 and expanded dramatically with the passage

of Act 68 of 1998. CHIP makes available to low-income working parents a comprehensive free or low-cost health insurance plan for eligible children. CHIP offers a comprehensive package of benefits, including well and sick child visits, immunizations, prescription coverage, emergency care, inpatient services, mental health services and hearing, vision and dental services. The Pennsylvania program, established in 1993, provided the free program for those under 185 percent of poverty and the subsidized program for children from families earning between 185 percent and 235 percent of poverty. The Federal Children's Health Insurance Program has provided additional funds for outreach and program expansion. Effective July 1, 1998, the free program is offered to children of families under 200 percent of poverty and the age limit was increased from sixteen to eighteen. The subsidized program, which provides half the cost of the insurance premium, has expanded to 235 percent of poverty and the age limit has been increased from age 5 to age 18. The coverage is funded from a portion of cigarette tax receipts, a State fund appropriation, Federal funds and is supplemented with payments by participating working families in accordance with a sliding fee scale. As of December 31, 1998, enrollment has increased to about 68,400 children. The new Federal program, under Title XXI of the Social Security Act, is providing funds to expand CHIP to serve a greater number of uninsured children.

The Catastrophic Loss Benefits Continuation Fund, funded through certain motor vehicle violation surcharge fees, provides benefits to Pennsylvanians who were catastrophically injured in motor vehicle accidents prior to January 1, 1990, and incurred medical expenses in excess of \$100,000 up to a lifetime aggregate of \$1 million.

The Underground Storage Tank Indemnification Fund, established pursuant to Act 32 of 1989, the Storage Tank and Spill Prevention Act, provides claims payments to 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. Act 13 of 1998 added new programs within the fund to take non-compliant tanks out of existence and clean-up those sites. The new programs include the Tank Installation Indemnification Program in the Insurance Department, the Upgrade Loan Program in the Department of Community and Economic Development, and the Pollution Prevention and Environmental Clean Up Program through the Department of Environmental Protection.

Program: Insurance Industry Regulation (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Consumer savings from departmental intervention in insurance claim disputes (in thousands)	\$8,500	\$7,000	\$7,500	\$7,800	\$7,900	\$8,000	\$8,000
Companies in liquidation	17	13	10	10	5	4	4
Rate filings reviewed	10,321	8,000	8,000	8,000	8,000	8,000	8,000
Administrative hearings held	160	160	160	160	160	160	160
Policy/form filings reviewed	22,419	12,000	12,000	12,000	12,000	12,000	12,000
Continuing care providers regulated	107	107	109	109	109	109	109
Enforcement investigations completed	281	300	300	300	300	300	300
Insurer market conduct examinations completed	165	100	100	100	100	100	100
Children's Health Insurance Program enrollment*	57,277	92,264	134,088	174,988	176,000	180,000	185,000

The decrease in consumer savings from departmental intervention, compared to the estimate in last year's budget, is the result of increased and ongoing voluntary settlements concerning improper sales and marketing activities in the life insurance industry.

The decline in insurance companies in liquidation, compared to the estimate in prior budgets, is due, in part, to more aggressive efforts on behalf of the department to discharge estates in liquidation and to detect and intervene at a time when a corrective action plan can be developed by a company to prevent a liquidation or rehabilitation.

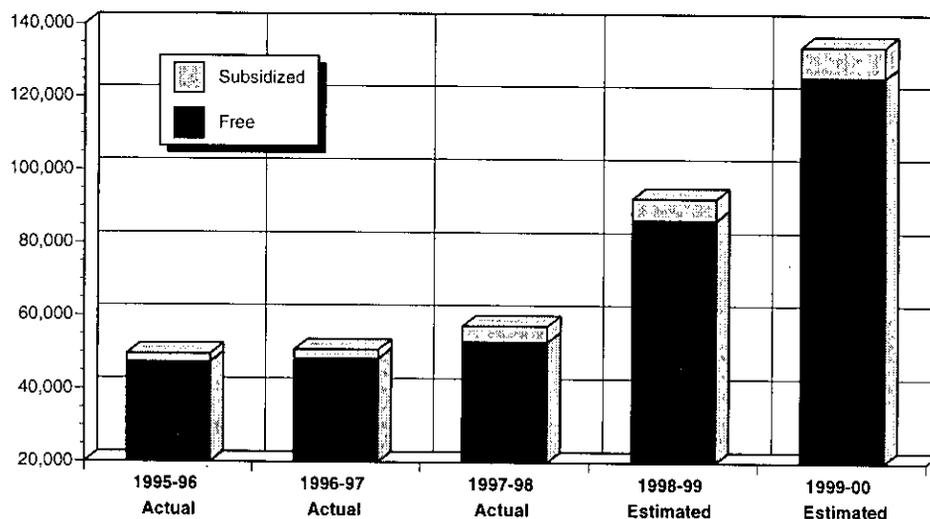
The decrease in rate filings reviewed and policy/form filings reviewed, compared to the estimate in last year's budget, is due to regulatory reform efforts which resulted in a change in the types and number of products which need to be approved. This regulatory reform effort is consistent with the Governor's goal of creating economic opportunity through improving the regulatory climate in the Commonwealth.

The decrease in administrative hearings held in 1997-98 compared to the estimate in last year's budget is due to a reduction in auto insurance appeals being filed and an increase in appeals withdrawn or otherwise amicably settled.

The increase in insurer market conduct examinations completed, compared to the estimate in last year's budget, is the result of the department's expansion in this area, including efforts to determine compliance with the Act 24 of 1996 mandates relating to domestic violence.

*New measure.

Children's Health Insurance Program Children Served



Pennsylvania's Children's Health Insurance Program has been a national leader in ensuring that free or subsidized health care is available for children of low income families. The program is expanding rapidly with 134,088 children to be enrolled by 1999-00.

Program: Insurance Industry Regulation (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<table border="0"> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">535</td> <td>General Government Operations</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">241</td> <td>—to continue current program</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>—PRR — Enhancing Information Technology to Better Serve Pennsylvanians. This Program Revision provides information technology to establish an interactive voice response system. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">40</td> <td>—expanded solvency monitoring</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">305</td> <td>—advanced technology systems implementation</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">\$</td> <td style="text-align: right; border-top: 1px solid black;">1,121</td> <td colspan="2"><i>Appropriation Increase</i></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	\$	535	General Government Operations							241	—to continue current program								—PRR — Enhancing Information Technology to Better Serve Pennsylvanians. This Program Revision provides information technology to establish an interactive voice response system. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.							40	—expanded solvency monitoring							305	—advanced technology systems implementation						\$	1,121	<i>Appropriation Increase</i>						<table border="0"> <tr> <td style="text-align: right;">\$</td> <td style="text-align: right;">78</td> <td>Children's Health Insurance Administration</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">388</td> <td>—to continue current program</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>—to expand outreach through an advertising campaign</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">133</td> <td>—to design and create a database to collect, organize and report program data</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="border-top: 1px solid black;">\$</td> <td style="text-align: right; border-top: 1px solid black;">599</td> <td colspan="2"><i>Appropriation Increase</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-top: 10px;">\$</td> <td style="text-align: right; padding-top: 10px;">20,000</td> <td>Children's Health Insurance</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>—to expand enrollment in the program by 42,000 children.</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	\$	78	Children's Health Insurance Administration							388	—to continue current program								—to expand outreach through an advertising campaign							133	—to design and create a database to collect, organize and report program data						\$	599	<i>Appropriation Increase</i>						\$	20,000	Children's Health Insurance								—to expand enrollment in the program by 42,000 children.					
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Includes accomplishment of the PRIME recommendation to develop a system within the Insurance Department to electronically collect and process fees from producer licensees.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 16,377	\$ 16,547	\$ 17,668	\$ 17,784	\$ 18,140	\$ 18,503	\$ 18,873
Children's Health Insurance Administration	98	450	1,049	1,070	1,091	1,113	1,135
Children's Health Insurance	0	15,000	35,000	35,000	35,000	35,000	35,000
TOTAL GENERAL FUND	\$ 16,475	\$ 31,997	\$ 53,717	\$ 53,854	\$ 54,231	\$ 54,616	\$ 55,008



DEPARTMENT OF LABOR AND INDUSTRY

The Department of Labor and Industry serves the labor and industrial interests of the Commonwealth by promoting the health, welfare and safety of employes; maintaining continuous production and employment by acting to reduce industrial strife; providing employment services to persons with disabilities; stabilizing the income of employes who become victims of certain occupational diseases or who sustain work related injuries; promoting apprenticeship training programs and assisting displaced workers in retraining and/or relocation.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Expanding Home and Community-Based Opportunities for Persons with Disabilities		

This Program Revision proposes to transfer the Bureau of Blindness and Visual Services to the Department of Labor and Industry from the Department of Public Welfare to improve services for persons who are blind or visually impaired. This is part of the \$35.3 million Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision. Please see the Program Revision following the Human Services Program in the Department of Public Welfare for additional information on this Program Revision.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 14,567	\$ 10,492 ^a	\$ 13,299
(F)National Occupational Information Coordinating Committee.....	244	311	311
(F)JTPA - Administration.....	4,369	5,900	6,873
(F)Community Service and Corps.....	6,163	10,000	9,839
(F)Disability Determination.....	58,784	66,872	70,389
(F)New Hires (EA).....	1,100	0	0
(F)New Hires.....	0	1,585	1,666
(A)Federal Indirect Cost Reimbursement.....	1,760	1,260	1,260
Subtotal.....	\$ 86,987	\$ 96,420	\$ 103,637
Occupational and Industrial Safety	8,720	10,065 ^b	10,037
(F)Asbestos Certification.....	130	160	133
(A)Federal Indirect Cost Reimbursements.....	1,700	1,200	1,200
PENNSAFE	1,005	1,134 ^c	1,222
(F)Pipeline Safety.....	22	75	78
(A)PENNSAFE.....	0	150	125
(R)Asbestos and Lead Certification (EA).....	1,288	1,339	1,394
Pennsylvania Conservation Corps	5,889	6,084 ^d	6,229
(F)Urban Youth Corps.....	157	150	1,500
Subtotal - State Funds.....	\$ 30,181	\$ 27,775	\$ 30,787
Subtotal - Federal Funds.....	70,969	85,053	90,789
Subtotal - Augmentations.....	3,460	2,610	2,585
Subtotal - Restricted Revenues.....	1,288	1,339	1,394
Total - General Government.....	\$ 105,898	\$ 116,777	\$ 125,555
Grants and Subsidies:			
Occupational Disease Payments	\$ 3,706	\$ 3,475	\$ 3,261
Vocational Rehabilitation Services	0	2,000	2,000
Entrepreneurial Assistance	0	1,000	1,000
Transfer to Vocational Rehabilitation Fund	32,271 ^e	34,029 ^e	34,058
Supported Employment	899	1,000	1,000
Centers for Independent Living	1,000	1,080	1,160
Workers' Compensation Payments	420	412	400
Dislocated Workers	2,496	2,500	2,500
Employment Services	5,912	6,162	2,162
(F)Joint Jobs Initiative.....	24,672	68,643	77,541
(F)JTPA - Grants to Service Delivery Areas.....	50,408	66,000	60,000
(F)JTPA - Summer Youth.....	44,000	52,000	45,000
(F)JTPA - Incentive Grants.....	3,013	3,620	3,000
(F)JTPA - Older Workers.....	2,995	3,500	2,900
(F)JTPA - Veterans Employment.....	0	0	635
(F)Profile Reemployment (6/30/00).....	0	8,176	0
(F)JTPA - Dislocated Workers.....	67,595	94,000	94,000
(A)Joint Jobs Initiative.....	17,876	40,000	38,497
Subtotal.....	\$ 216,471	\$ 342,101	\$ 323,735
Labor Studies	0	500	0
Subtotal - State Funds.....	\$ 46,704	\$ 52,158	\$ 47,541
Subtotal - Federal Funds.....	192,683	295,939	283,076
Subtotal - Augmentations.....	17,876	40,000	38,497
Total - Grants and Subsidies.....	\$ 257,263	\$ 388,097	\$ 369,114

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
STATE FUNDS.....	\$ 76,885	\$ 79,933	\$ 78,328
FEDERAL FUNDS.....	263,652	380,992	373,865
AUGMENTATIONS.....	21,336	42,610	41,082
RESTRICTED REVENUES.....	1,288	1,339	1,394
GENERAL FUND TOTAL.....	\$ 363,161	\$ 504,874	\$ 494,669
 OTHER FUNDS:			
GENERAL FUND:			
Administration of Unemployment.....	\$ 192,684	\$ 195,540	\$ 193,600
HAZARDOUS MATERIAL RESPONSE FUND:			
Hazardous Material Response Administration.....	\$ 175	\$ 150	\$ 60
EMPLOYMENT FUND FOR THE BLIND:			
Employment Fund for the Blind.....	\$ 910 ^f	\$ 1,800 ^f	\$ 1,800
REHABILITATION CENTER FUND:			
Operation of Rehabilitation Center.....	\$ 15,534	\$ 16,335	\$ 16,035
VOCATIONAL REHABILITATION FUND:			
Administration of Vocational Rehabilitation.....	\$ 120,239	\$ 122,982	\$ 124,350
Little Randolph Shepherd (Vending Machine Proceeds).....	1,648 ^f	1,616 ^f	1,631
VOCATIONAL REHABILITATION FUND TOTAL.....	\$ 121,887	\$ 124,598	\$ 125,981
WORKMEN'S COMPENSATION ADMINISTRATION FUND:			
Administration of Workers' Compensation.....	\$ 47,010	\$ 43,261	\$ 45,086
 DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 76,885	\$ 79,933	\$ 78,328
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	263,652	380,992	373,865
AUGMENTATIONS.....	21,336	42,610	41,082
RESTRICTED.....	1,288	1,339	1,394
OTHER FUNDS.....	378,200	381,684	382,562
TOTAL ALL FUNDS.....	\$ 741,361	\$ 886,558	\$ 877,231

^a Includes \$11,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes \$13,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^c Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d Includes \$8,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^e 1997-98 Actual includes \$8,160,000 appropriated to Services for the Visually Impaired, \$76,000 appropriated to General Government Operations, and \$5,000 appropriated to Information Systems in the Department of Public Welfare. Available includes \$8,329,000 appropriated to Services for the Visually Impaired, \$109,000 appropriated to General Government Operations, and \$17,000 to Information Systems in the Department of Public Welfare. The \$8,329,000 appropriated to Services for the Visually Impaired includes \$6,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^f Previously reflected in the Department of Public Welfare.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
COMMUNITY AND OCCUPATIONAL SAFETY AND STABILITY							
GENERAL FUND.....	\$ 24,292	\$ 21,691	\$ 24,558	\$ 23,009	\$ 23,470	\$ 23,939	\$ 24,418
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	553	696	2,022	2,022	2,022	2,022	2,022
OTHER FUNDS.....	5,833	5,899	5,839	5,920	6,002	6,086	6,172
SUBCATEGORY TOTAL.....	\$ 30,678	\$ 28,286	\$ 32,419	\$ 30,951	\$ 31,494	\$ 32,047	\$ 32,612
WORKERS COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 4,126	\$ 3,887	\$ 3,661	\$ 3,661	\$ 3,661	\$ 3,661	\$ 3,661
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	59,884	68,457	72,055	72,055	72,055	72,055	72,055
OTHER FUNDS.....	241,342	240,417	240,317	241,232	242,205	243,177	244,169
SUBCATEGORY TOTAL.....	\$ 305,352	\$ 312,761	\$ 316,033	\$ 316,948	\$ 317,921	\$ 318,893	\$ 319,885
JOB TRAINING DEVELOPMENT							
GENERAL FUND.....	\$ 14,297	\$ 15,246	\$ 10,891	\$ 11,016	\$ 11,143	\$ 11,273	\$ 11,405
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	203,215	311,839	299,788	299,788	299,788	299,788	299,788
OTHER FUNDS.....	17,876	40,000	38,497	38,497	38,497	38,497	38,497
SUBCATEGORY TOTAL.....	\$ 235,388	\$ 367,085	\$ 349,176	\$ 349,301	\$ 349,428	\$ 349,558	\$ 349,690
VOCATIONAL REHABILITATION							
GENERAL FUND.....	\$ 34,170	\$ 39,109	\$ 39,218	\$ 39,380	\$ 39,545	\$ 39,713	\$ 39,885
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	135,773	139,317	140,385	142,644	144,948	147,298	149,695
SUBCATEGORY TOTAL.....	\$ 169,943	\$ 178,426	\$ 179,603	\$ 182,024	\$ 184,493	\$ 187,011	\$ 189,580
ALL PROGRAMS:							
GENERAL FUND.....	\$ 76,885	\$ 79,933	\$ 78,328	\$ 77,066	\$ 77,819	\$ 78,586	\$ 79,369
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	263,652	380,992	373,865	373,865	373,865	373,865	373,865
OTHER FUNDS.....	400,824	425,633	425,038	428,293	431,652	435,058	438,533
DEPARTMENT TOTAL.....	\$ 741,361	\$ 886,558	\$ 877,231	\$ 879,224	\$ 883,336	\$ 887,509	\$ 891,767

PROGRAM OBJECTIVE: To further economic development in the Commonwealth by promoting the health, welfare and safety of employes, and acting to maintain continuous production and employment through mediation.

Program: Community and Occupational Safety and Stability

The department is responsible for administering a wide range of laws designed to enhance income security, safeguard the health of workers and the general public, protect the rights of Pennsylvania workers, and promote labor relations stability and labor-management cooperation.

Program Element: Income Security and Workers' Rights

The income of employes is protected by Minimum Wage, Wage Payment and Collection, and Prevailing Wage laws which the department strictly enforces. Payment of prevailing wage rates is monitored by field inspections conducted by the Prevailing Wage Division. Monitoring of the Minimum Wage and Wage Payment and Collection laws is the responsibility of the Bureau of Labor Standards. The Bureau of Labor Standards also protects workers rights by ensuring compliance with the Child Labor, Seasonal Farm Labor, Industrial Homework, Personnel File, Equal Pay and Medical Pay laws. The Bureau of Labor Standards informs employes and employers about the laws, conducts investigations and resolves disputes.

Program Element: Labor Relations

Labor relations stability is promoted through the provision of mediation services to the public and private sectors. Under the Public Employe Relations Act, parties to a contract in the public sector must notify the department if no agreement has been reached after contract negotiations have commenced. In the private sector, dispute notices must be filed with the department based on the National Labor Relations Act. Mediation services are mandatory in the public sector and voluntary in the private sector. Each year over 1,000 cases are mediated by the department.

The Pennsylvania Labor Relations Board enforces and implements the provisions of the Commonwealth's laws relating to private and public sector collective bargaining, including the Pennsylvania Labor Relations Act, the Public Employe Relations Act and acts relating to police and fire employees. The board determines collective bargaining representatives, prevents and discourages unfair practices and in the public sector, contributes to the resolution of bargaining disputes by the issuance of arbitration panels and the appointment of fact finders.

The Office of Labor-Management Cooperation promotes labor-management cooperation through support of and coordination with the area labor-management committees throughout Pennsylvania. The Pennsylvania Bureau of Mediation provides technical assistance as facilitator for cooperative programs. In addition to promoting labor-management cooperation, the office also recognizes and awards existing successful labor-management cooperation efforts in the Commonwealth. It provides support and technical assistance to the Governor's Committee on Economic Growth through Labor-Management Cooperation.

Program Element: Public Health and Safety

The Fire and Panic, Building Energy Conservation, Elevator, Bedding and Upholstery, Stuffed Toy, Employment Agency, LP Gas, Boiler, Lead Certification, and Asbestos Occupations Accreditation and Certification laws are all administered by the Bureau of Occupational and Industrial Safety. The bureau enforces the acts through promulgation of regulations, conducting field inspections, licensing and certifying, and investigating complaints. The department is also responsible to insure that buildings are accessible and usable by persons with disabilities under the State's Universal Accessibility Act.

The Worker and Community Right-to-Know Act requires all employers doing business in Pennsylvania to provide certain information about hazardous chemicals found in their workplace and to make that information available to emergency response organizations and the public. The department enforces worker right-to-know provisions for public employes and those in the mining industry, and provides about 40 education/outreach programs annually. The department also enforces the Underground Utility Protection Law to prevent the damage of underground utility lines.

The Office for the Deaf and Hearing Impaired responds to requests for information and referral, promotes access for people who are deaf, and provides public education about hearing loss and deafness.



Labor and Industry

Program: Community and Occupational Safety and Stability (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Minimum wage violations cited	1,988	1,988	1,988	1,988	1,988	1,988	1,988
Child labor law violations	488	488	488	488	488	488	488
Nonpayment of wage violations	1,942	1,942	1,942	1,942	1,942	1,942	1,942
Mediated cases involving work stoppages:							
Public bargaining units	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Private bargaining units	0%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Minimum wage violations were much higher than projected and child labor and nonpayment of wage violations were lower than projected in last year's budget. The inspections are scheduled in response to complaints which are difficult to predict.

The percentage of mediated cases involving public bargaining unit work stoppages was higher than projected in last year's budget while the percentage for private bargaining work unit work stoppages was less than projected in last year's budget, because these occurrences are difficult to precisely estimate. The overall number of work stoppages in the Commonwealth remained very low.

Unfair labor practice cases concluded	592	592	592	592	592	592	592
Union representation cases concluded	251	251	251	251	251	251	251
Total inspections performed	139,321	135,000	135,000	135,000	135,000	135,000	135,000
Prevailing Wage Law violations*	38	38	38	38	38	38	38
Building approvals issued	14,407	14,000	14,000	14,000	14,000	14,000	14,000
New buildings certified	8,272	8,000	8,000	8,000	8,000	8,000	8,000
Renovations of existing buildings certified	6,235	6,000	6,000	6,000	6,000	6,000	6,000

Unfair labor practice and union representation cases were less than projected in last year's budget due to changing economic conditions.

The number of new buildings certified was greater than projected in last year's budget due to an improved business climate.

*New program measure added this year.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

General Government Operations		Occupational and Industrial Safety	
\$ -110	—field force automation.	\$ -570	—field force automation.
717	—to continue current program.	542	—to continue current program.
2,000	—Initiative — Career Marketplace Development System. To support the development of a "one stop" system where information about and access to a wide array of job training, education, and employment services is available for customers at a single community location.	\$ -28	Appropriation Decrease
200	—prevailing wage survey.	\$ 88	PENNSAFE —to continue current program.
\$ 2,807	Appropriation Increase		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 14,567	\$ 10,492	\$ 13,299	\$ 11,525	\$ 11,756	\$ 11,991	\$ 12,231
Occupational and Industrial Safety	8,720	10,065	10,037	10,238	10,443	10,652	10,865
PENNSAFE	1,005	1,134	1,222	1,246	1,271	1,296	1,322
TOTAL GENERAL FUND	\$ 24,292	\$ 21,691	\$ 24,558	\$ 23,009	\$ 23,470	\$ 23,939	\$ 24,418

PROGRAM OBJECTIVE: To further economic development in the Commonwealth by stabilizing the incomes of employes who become unemployed.

Program: Workers' Compensation and Assistance

This program provides income and medical services security to qualifying individuals. This program includes workers' compensation, unemployment compensation, occupational disease payments, and Social Security disability payments.

Workers' Compensation is a system of payments made through private insurance companies, the State Workers' Insurance Fund, and self-insured employers to employes who sustain injuries or diseases during their course of employment. The Commonwealth's administrative expenses are funded from assessments on the insurance industry.

Act 57 of 1996 substantially amended the Workers' Compensation Act. The amendments addressed the high cost of workers' compensation in the Commonwealth with respect to premiums, wage benefits, medical treatment and review, and litigation. The amendments were intended to provide expedited settlement of issues, reduce fraud, counteract disincentives to return to work, and encourage workplace safety. Their impact is a reduction of burdensomely high costs for businesses and the resultant improvement of the business climate in the Commonwealth.

The department processes applications for Federal disability benefits, gathers medical evidence for each claim and makes recommendations to the Social Security Administration under the Social Security Administration's Disability Determination Program guidelines.

Occupational Disease Payments are made primarily to victims of silicosis, and related diseases, commonly referred to as "black lung." Victims of these diseases are covered based on their date of last exposure and disability.

Unemployment compensation payments are made to individuals and their dependents during periods of involuntary unemployment. The payments are funded from taxes on employers and employes paid into the Unemployment Compensation Trust Fund. The tax rates vary according to the financial condition of the fund. The maximum weekly benefit rate is calculated as 66 ²/₃% of the average weekly wage for the preceding year. The maximum weekly payment during calendar year 1998 was \$375.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Claimants qualifying for occupational disease payments out of Commonwealth funds	1,852	1,740	1,600	1,490	1,390	1,240	1,130
New claimants eligible for workers' compensation payments	52,706	52,000	52,000	52,000	52,000	52,000	52,000
Total petitions assigned	58,925	60,000	60,000	58,000	58,000	56,000	56,000
Judges' decisions	68,471	66,000	64,000	63,000	62,000	61,000	60,000
Average time in days—Case filed/ concluded	385	340	290	260	250	250	240
New claims for unemployment compensation	565,301	534,000	536,000	546,000	546,000	546,000	546,000

New claimants eligible for workers' compensation payments were less than projected in last year's budget due to improved safety programs, fewer work injuries, and an improved economy.

Program: Workers' Compensation and Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-214	Occupational Disease Payments —nonrecurring payments.
\$	-12	Workers Compensation Payments —nonrecurring payments. These payments are made for a special class of recipients who became eligible before March 1968, and not for new claimants shown in the program measure above whose payments are made from the State Workmen's Insurance Fund and by private insurance companies.

In addition, this budget recommends the following changes for administration of the Workers' Compensation Program through the Workmen's Compensation Administration Fund.

\$	1,825	Administration of Workers' Compensation —to continue current program.
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Occupational Disease Payments	\$ 3,706	\$ 3,475	\$ 3,261	\$ 3,261	\$ 3,261	\$ 3,261	\$ 3,261
Workers' Compensation Payments	420	412	400	400	400	400	400
TOTAL GENERAL FUND	\$ 4,126	\$ 3,887	\$ 3,661	\$ 3,661	\$ 3,661	\$ 3,661	\$ 3,661



PROGRAM OBJECTIVE: To provide meaningful job training and placement services in a coordinated role with other Commonwealth agencies, the private sector and the Federal Government in order to secure unsubsidized employment for unemployed Pennsylvanians.

Program: Job Training Development

This program provides a range of employment and training services through the Job Center Network, the Bureau of Employment Services and Training, the Office of Job Centers and Field Operations, and the Pennsylvania Conservation Corps

Job Centers are a Statewide network of 61 one-stop locations providing coordinated and comprehensive services to individuals seeking jobs and job-related services, and to employers seeking qualified job applicants. These labor exchange services include placement, counseling, testing, and supportive services. In addition to the services available through programs administered by the Department of Labor and Industry, employment, training and support resources of other Federal, State, local and community-based organizations are provided through the Job Center Network.

The Federal Workforce Investment Act of 1998, which repeals the Job Training Partnership Act effective July 1, 2000, will streamline the delivery of job training services. The Act provides for an orderly transition from the Job Training Partnership Act and the Economic Dislocation and Worker Adjustment Assistance Act which was also repealed to an improved workforce preparation and employment system.

Funding for numerous programs will be consolidated into three basic grants:

- adult employment and training
- disadvantaged youth employment and training
- adult education and family literacy programs

In addition, the law gives states and individuals more authority and responsibility for job training needs and decisions.

Job Centers will evolve within a one-stop career development marketplace system, into Team Pennsylvania Career Link Centers. The transition will improve service for employers, job seekers, and other customers by integrating systems and coordinating services. Services available at the centers will include job search and placement assistance (including career counseling), labor market information (which identifies job vacancies; skills needed for in-demand jobs; and local, regional and national trends); initial assessment of skills and needs; information about available services; and follow-up services to help customers keep their jobs after placement.

Local workforce investment boards will plan and oversee the local delivery of services with approval by the Governor. The boards in partnership with local elected officials will

identify providers of training services, monitor system performance and help develop the labor market information system.

Eighty-five percent of the Federal funds appropriated for adult and youth services will be allocated to the local areas; the remainder will be reserved for Statewide activities.

Twenty percent of Federal funds appropriated for dislocated workers will provide national emergency grants, dislocated worker demonstration projects, and technical assistance. Of the remaining eighty percent, sixty percent will be allocated to local areas, fifteen percent for Statewide activities, and twenty-five percent for rapid response efforts.

The Department of Labor and Industry is the lead agency in administering interagency employment and training programs. The Joint Jobs Initiative is designed to target resources of the Departments of Labor and Industry, Public Welfare and Education to improve job training and employment service programs for welfare recipients. The Single Point of Contact (SPOC) program provides comprehensive employment and training services to Temporary Assistance to Needy Families (TANF) recipients with multiple barriers to employment. Services are co-located in county assistance offices. Funding for this program is provided by each of the three agencies involved.

The department provides funds to assist dislocated workers through training programs, rapid response efforts, support services, and needs based payments. Act 97 of 1997 created the Self-Employment Assistance Program that will provide entrepreneurial training, counseling, and technical assistance to 1,000 dislocated workers.

The department's Rapid Response Program is operated by the Dislocated Worker Unit in conjunction with the Department of Community and Economic Development. When a business relocates to another State or employees are laid off, the Department of Labor and Industry's Rapid Response Team is available to bring a wide variety of State and local resources to the plant to assist laid-off individuals in finding reemployment. The Rapid Response Team provides a variety of State and local resources, coordinated through local Job Centers, to assist dislocated workers and to help them become reemployed. The department also promotes labor-management cooperation by encouraging the formation of labor-management committees at the plant to coordinate the mix of available services.

Program: Job Training Development (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Individuals placed through Job Service	71,674	71,315	70,958	70,604	70,250	69,899	69,549
Job Training Partnership Program:							
Enrollments	56,089	53,227	51,892	51,301	51,353	50,327	50,327
Placements	17,488	17,138	16,795	16,399	16,071	15,750	15,424
Welfare recipients served	30,944	34,038	35,000	36,000	37,000	38,000	39,000
Joint Jobs Initiative:							
Welfare recipients who completed training	4,395	4,483	4,661	4,754	4,849	4,946	5,042
Welfare recipients placed	3,044	3,196	3,167	3,230	3,294	3,360	3,425
Average hourly wage	\$6.89	\$7.02	\$7.16	\$7.30	\$7.45	\$7.60	\$7.75
Individuals enrolled in on-the-job training	2,091	2,049	2,008	1,968	1,929	1,890	1,851
Dislocated workers:							
Dislocated workers placed	7,930	7,772	7,617	7,465	7,316	7,170	7,022
Average hourly wage	\$10.34	\$10.54	\$10.80	\$11.02	\$11.24	\$11.46	\$11.68

Individuals placed through job service, enrollments in the Job Training Partnership Programs, welfare recipients who completed training, and welfare recipients placed were less than estimated in last year's budget based on current data. The trend of enrollments in those areas is downward in recognition of the lessened need expected as a result of the improved workforce development programs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 145	Pennsylvania Conservation Corps —to continue current program.	\$ -500	Labor Studies —nonrecurring projects.
\$ -4,000	Employment Services —nonrecurring projects.		

Dislocated Workers is recommended at the current year funding level.

In addition, \$321,573,000 in Federal and other funds are budgeted for this program in 1999-2000.



Includes PRIME recommendation to streamline the Department of Labor and Industry's process of providing unemployment benefits. The department has implemented a pilot project for filing initial unemployment claims by telephone. Additional changes will include the electronic transmission of unemployment compensation benefits to claimants' personal accounts.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Pennsylvania Conservation Corps	\$ 5,889	\$ 6,084	\$ 6,229	\$ 6,354	\$ 6,481	\$ 6,611	\$ 6,743
Dislocated Workers	2,496	2,500	2,500	2,500	2,500	2,500	2,500
Employment Services	5,912	6,162	2,162	2,162	2,162	2,162	2,162
Labor Studies	0	500	0	0	0	0	0
TOTAL GENERAL FUND	\$ 14,297	\$ 15,246	\$ 10,891	\$ 11,016	\$ 11,143	\$ 11,273	\$ 11,405

PROGRAM OBJECTIVE: To enable eligible persons with disabilities to obtain competitive employment.

Program: Vocational Rehabilitation

This program, conducted in conjunction with the Federal Government, targets the estimated 660,000 citizens of the Commonwealth who have physical or mental impairments that present a substantial impediment to employment.

The Federal Rehabilitation Act of 1973, as amended through 1992, established eligibility criteria for vocational rehabilitation services. Services are provided to individuals who can benefit from and who need services to prepare for, enter, or retain employment. Primary emphasis is placed on serving individuals with the most severe disabilities. These individuals generally require extensive and varied services over an extended period of time. State and Federal funds are expended through the Vocational Rehabilitation Fund

Training and employment services are provided to those most likely to be employed in the short term through the fully State funded Vocational Rehabilitation Services Program.

To address the needs of individuals who do not meet Federal eligibility criteria, State funds are provided for the Centers for Independent Living (CILs). CILs are non-residential centers that provide information and referral services, peer counseling, independent living skills training and other services to Pennsylvanians with disabilities.

The Supported Employment Program improves employment opportunities for those previously considered to have disabilities so severe that they could not benefit from the traditional vocational rehabilitation program. Supported employment combines job placement in the community with job training at the job site. Full-time training and support services are provided.

This program also includes the Hiram G. Andrews Center in Johnstown. The center is funded from fees for services rendered. The center provides a wide array of vocational rehabilitation and job training services.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Caseload:							
Carry-over	45,297	47,459	49,639	51,836	54,095	56,325	58,708
New referrals	23,511	23,629	23,747	23,866	23,985	24,105	24,225
Total caseload	68,808	71,088	73,386	75,702	78,080	80,430	82,933
Cases closed:							
Ineligible or plan not initiated	6,991	6,998	7,005	7,012	7,109	7,026	7,033
Rehabilitated	8,728	8,815	8,904	8,948	8,993	9,038	9,083
Competitive	8,036	8,116	8,198	8,239	8,280	8,322	8,363
Noncompetitive	692	699	706	709	713	716	720
Nonrehabilitated	5,630	5,636	5,641	5,647	5,653	5,658	5,664
Total cases closed	21,349	21,449	21,550	21,607	21,755	21,722	21,780
Cases Carried Over	47,459	49,639	51,836	54,095	56,325	58,708	61,153
Services for the Visually Impaired:							
Persons who are blind or visually impaired	10,183	10,500	11,000	11,500	12,000	12,500	13,000
Persons who are blind or visually impaired placed in employment	363	400	430	450	465	475	500
Severely Disabled Rehabilitated	8,511	8,596	8,692	8,726	8,769	8,813	8,857
Economic/client earnings information:							
Average weekly earnings for clients closed as competitively employed	\$279	\$285	\$290	\$296	\$299	\$300	\$301
Total weekly earnings for clients closed as competitively employed (in thousands)	\$2,242	\$2,310	\$2,380	\$2,439	\$2,476	\$2,495	\$2,514
Average taxes paid by a competitively employed client	\$3,772	\$3,848	\$3,924	\$4,003	\$4,043	\$4,053	\$4,063
Total taxes paid by competitively employed clients (in thousands)	\$30,315	\$31,231	\$32,174	\$32,981	\$33,478	\$33,729	\$33,983

Cases closed because a person was ineligible was less than projected in last year's budget due to the success of the new State Vocational Rehabilitation program that supplements the Federal program.

Persons who are blind or visually impaired placed in employment is less than last year's budget because changes in the sampling method more accurately reflect visually impaired persons that are placed in employment.



Program: Vocational Rehabilitation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	29	Transfer to Vocational Rehabilitation Fund —to continue current program.	\$	80	Centers for Independent Living —to expand funding for each of the eight centers.
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All other appropriations are recommended at the current year funding level.

In addition, the Enhancing Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program in the Department of Public Welfare proposes transfer of the Bureau of Blindness and Visual Services from the Department of Public Welfare to the Department of Labor and Industry to improve services for persons who are blind or visually impaired.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Vocational Rehabilitation Services	\$ 0	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Entrepreneurial Assistance	0	1,000	1,000	1,000	1,000	1,000	1,000
Transfer to Vocational Rehabilitation Fund ..	32,271	34,029	34,058	34,220	34,385	34,553	34,725
Supported Employment	899	1,000	1,000	1,000	1,000	1,000	1,000
Centers for Independent Living	1,000	1,080	1,160	1,160	1,160	1,160	1,160
TOTAL GENERAL FUND	\$ 34,170	\$ 39,109	\$ 39,218	\$ 39,380	\$ 39,545	\$ 39,713	\$ 39,885





LIQUOR CONTROL BOARD

The Pennsylvania Liquor Control Board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the Commonwealth.

The board consists of three members appointed by the Governor and confirmed by the Senate.

The dollar amounts shown are from the State Stores Fund, a special enterprise fund, and are reflected herein as "Other Funds."



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(F)Community Underage Drinking Project-NHTSA.....	\$ 71	\$ 80	\$ 0
Subtotal - Federal Funds.....	71	80	0
GENERAL FUND TOTAL.....	\$ 71	\$ 80	\$ 0
OTHER FUNDS:			
STATE STORES FUND:			
General Operations (EA).....	\$ 213,282	\$ 219,827	\$ 230,771
Malt Beverage Surcharge.....	4	0	0
Underage Drinking Coalition Grant.....	149	236	248
Sale of Vehicles.....	46	0	0
Comptroller Operations (EA).....	6,979	7,076	7,383
Transfer of Profits to General Fund (EA).....	50,000	50,000	50,000
STATE STORES FUND TOTAL.....	\$ 270,460	\$ 277,139	\$ 288,402
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	71	80	0
OTHER FUNDS.....	270,460	277,139	288,402
TOTAL ALL FUNDS.....	\$ 270,531	\$ 277,219	\$ 288,402



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
LIQUOR CONTROL							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	71	80	0	0	0	0	0
OTHER FUNDS.....	270,460	277,139	288,402	293,231	297,776	302,732	307,787
SUBCATEGORY TOTAL.....	\$ 270,531	\$ 277,219	\$ 288,402	\$ 293,231	\$ 297,776	\$ 302,732	\$ 307,787
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	71	80	0	0	0	0	0
OTHER FUNDS.....	270,460	277,139	288,402	293,231	297,776	302,732	307,787
DEPARTMENT TOTAL.....	\$ 270,531	\$ 277,219	\$ 288,402	\$ 293,231	\$ 297,776	\$ 302,732	\$ 307,787

PROGRAM OBJECTIVE: To control the manufacture, distribution and sale of alcoholic beverages in Pennsylvania.

Program: Liquor Control

All bottle sales of wines and spirits in Pennsylvania, with the exception of sales by licensed limited wineries, are made through approximately 650 State Liquor Stores operated by the Liquor Control Board. This includes both retail sales to individual consumers, and wholesale sales to those private establishments which sell by the drink. In addition, the board licenses those private establishments which make retail sales of alcoholic beverages by the drink. While malt and brewed beverages are not sold in State Liquor Stores, the Liquor Control Board regulates these sales by licensing the distributors who do sell these items. In all, some 73,000 licensing transactions of all types are processed each year.

Act 14 of 1987 reauthorized the Liquor Control Board and made some changes to its responsibilities. Most notably, enforcement of liquor laws was transferred to the Pennsylvania State Police. In addition, an Office of Administrative Law Judge, a Bureau of Wine and a Bureau of Consumer Relations were created within the Liquor Control Board.

To ensure the safety and security of all Pennsylvanians the Liquor Control Board has, since 1990, operated a Nuisance Bar program. This program supports a task force that utilizes 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 the licensee has abused its licensing privilege and through its conduct or record of violations

demonstrates a pattern of activities which threatens the health and safety of the local community, the Liquor Control Board will refuse to renew its license. Since inception, some 550 license renewals have been refused.

In 1994, the Liquor Control Board formalized its commitment to providing information about alcohol consumption by establishing the Bureau of Alcohol Education. Its various programs, many of which are directed towards children and youth, include:

- seminars conducted for licensees and their employees as part of the Responsible Alcohol Management Program;
- appearances by the L. C. Bee, a program for young people featuring a costumed character emphasizing how to resist peer pressure to try alcohol, school and public displays; and
- speakers forum presentations.

The board also serves as the lead agency in a Pennsylvania coalition to reduce underage drinking and related problems through the development of six regional coalitions. A primary element of the coalition's effort has been to involve youth groups and organizations in the planning and implementation of an aggressive plan of action. School, college and university, community, and national groups and organizations have been contacted and invited to join the coalition.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Pennsylvania State Liquor Stores	647	650	652	654	656	658	670
Gross Sales (includes taxes) (in thousands) .	\$971,762	\$990,188	\$1,008,506	\$1,027,163	\$1,046,166	\$1,065,520	\$1,085,232
Alcohol Education Presentations	900	927	955	983	1,013	1,043	1,075

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 10,944	General Operations —to continue current program.	\$ 307	Comptroller Operations —to continue current program.
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Transfer of profits to the General Fund is recommended at the current year level of \$50 million.



DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs provides organized combat-ready units, both Army and Air National Guard, for call to Federal duty in the event of national emergency and to State duty in time of disaster or civil disorder. Their duties are to protect the lives and property of the people of Pennsylvania and preserve peace, order and public safety. The Bureau of Veterans Affairs administers the laws that provide for the well-being of Pennsylvania veterans and their dependents.

The Department of Military and Veterans Affairs consists of the Adjutant General, the State Armory Board, the State Veterans' Commission, the Soldiers and Sailors Home at Erie, the Veterans Home at Hollidaysburg, the Southeastern Veterans Home at Spring City, the Northeastern Home at Scranton, the Southwestern Veterans Home at Pittsburgh and the Scotland School for Veterans Children near Chambersburg.

Military and Veterans Affairs

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
General Government:			
General Government Operations	\$ 14,193	\$ 14,937 ^a	\$ 15,367
(F)Facilities Maintenance.....	7,401	10,400	14,750
(F)May-June 1998 Storm Disaster - Disaster Assistance.....	0	69	0
(F)Employee Support.....	1,568	1,892	2,201
(F)Telecommunications Expansion.....	721	880	1,040
(F)Federal Construction Grants.....	24,542	25,700	25,700
(F)Fort Indiantown Gap Base Realignment.....	485	7,068	8,400
(F)DCSI - Law Enforcement Training.....	0	140	0
(A)Rental of Armories and Other Facilities.....	122	122	122
(A)Lt. Governor's Residence.....	19	28	28
(A)PEMA Reimbursements.....	29	0	0
(A)Housing Fees.....	0	0	225
American Battle Monuments	4	4	6
Armory Maintenance and Repair	697	1,000	1,000
Drug Interdiction	12	62	62
Special State Duty	100	100	100
Base Realignment and Closure	42	100	100
Subtotal.....	\$ 49,935	\$ 62,502	\$ 69,101
Subtotal - State Funds.....	\$ 15,048	\$ 16,203	\$ 16,635
Subtotal - Federal Funds.....	34,717	46,149	52,091
Subtotal - Augmentations.....	170	150	375
Total - General Government.....	\$ 49,935	\$ 62,502	\$ 69,101
Institutional:			
Erie Soldiers and Sailors Home	\$ 5,449	\$ 5,765 ^b	\$ 5,749
(F)Operations and Maintenance.....	1,510	1,820	1,905
(F)Medical Reimbursement.....	50	50	55
(A)Aid and Attendance Payments.....	385	400	410
(A)Residents Fees.....	2,243	1,713	1,650
(A)Federal Veterans Centers.....	45	45	45
Subtotal.....	\$ 9,682	\$ 9,793	\$ 9,814
Hollidaysburg Veterans Home	19,242	19,179 ^c	19,039
(F)Operations and Maintenance.....	5,047	5,507	6,036
(F)Medical Reimbursement.....	183	408	200
(A)Aid and Attendance Payments.....	1,822	1,906	2,010
(A)Residents Fees.....	4,357	4,748	4,644
(A)Rental Receipts.....	10	12	12
Subtotal.....	\$ 30,661	\$ 31,760	\$ 31,941
Southeastern Veterans Home	12,605	14,415 ^d	12,050
(F)Operations and Maintenance.....	2,947	3,453	3,631
(F)Medical Reimbursements.....	70	72	70
(A)Aid and Attendance Payments.....	697	829	846
(A)Residents Fees.....	1,439	1,538	1,572
Subtotal.....	\$ 17,758	\$ 20,307	\$ 18,169
Northeastern Veterans Home	6,957	7,521 ^e	7,271
(F)Operations and Maintenance.....	2,850	2,765	3,368
(F)Medical Reimbursement.....	70	98	80
(A)Aid and Attendance Payments.....	900	898	902
(A)Residents Fees.....	1,891	1,846	1,856
(A)Rental Receipts.....	97	0	0
Subtotal.....	\$ 12,765	\$ 13,128	\$ 13,477
Southwestern Veterans Home	4,587	5,943 ^f	7,409
(F)Operations and Maintenance.....	151	1,755	2,550

Military and Veterans Affairs

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
(F)Medical Reimbursement.....	0	15	15
(A)Aid and Attendance Payments.....	78	296	489
(A)Residents Fees.....	169	991	1,635
Subtotal.....	\$ 4,985	\$ 9,000	\$ 12,098
Scotland School for Veterans' Children.....	6,442	6,749^g	6,822
(F)ESEA Education Program.....	0	295	211
(F)School Milk Program.....	0	300	285
(F)ESEA Education for the Disadvantaged.....	239	0	0
(F)School Milk Lunch.....	260	0	0
(F)Drug Free Schools and Communities - Scotland.....	2	2	2
(A)Scotland School Cafeteria.....	96	103	95
(A)Tuition Recovery.....	1,813	1,890	1,947
(A)Link to Learn.....	88	44	0
(A)School Performance Award.....	0	17	0
Subtotal.....	\$ 8,940	\$ 9,400	\$ 9,362
Subtotal - State Funds.....	\$ 55,282	\$ 59,572	\$ 58,340
Subtotal - Federal Funds.....	13,379	16,540	18,408
Subtotal - Augmentations.....	16,130	17,276	18,113
Total - Institutional.....	\$ 84,791	\$ 93,388	\$ 94,861
Grants and Subsidies:			
Education of Veterans Children.....	\$ 145	\$ 150	\$ 170
Education - National Guard.....	2,200	4,200	4,782
Veterans Assistance.....	1,134	1,266	1,250
Blind Veterans Pension.....	145	155	160
Paralyzed Veterans Pension.....	293	293	280
National Guard Pension.....	2	5	5
PA Air National Guard.....	25	25	25
Civil Air Patrol.....	200 ^h	300	200
Subtotal.....	\$ 4,144	\$ 6,394	\$ 6,872
Total - Grants and Subsidies.....	\$ 4,144	\$ 6,394	\$ 6,872
STATE FUNDS.....	\$ 74,474	\$ 82,169	\$ 81,847
FEDERAL FUNDS.....	48,096	62,689	70,499
AUGMENTATIONS.....	16,300	17,426	18,488
GENERAL FUND TOTAL.....	\$ 138,870	\$ 162,284	\$ 170,834
OTHER FUNDS:			
PENNSYLVANIA VETERANS MEMORIAL TRUST FUND:			
Veterans Memorial(EA).....	\$ 8	\$ 500	\$ 3,000
STATE TREASURY ARMORY FUND:			
Armory Improvements.....	\$ 447	\$ 908	\$ 850
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 74,474	\$ 82,169	\$ 81,847
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	48,096	62,689	70,499
AUGMENTATIONS.....	16,300	17,426	18,488
OTHER FUNDS.....	455	1,408	3,850
TOTAL ALL FUNDS.....	\$ 139,325	\$ 163,692	\$ 174,684



Footnotes to Summary by Fund and Appropriation

-
- ^a Includes \$15,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^b Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^c Includes \$24,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^d Includes \$13,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^e Includes \$9,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^f Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^g Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^h Actually appropriated in the Pennsylvania Emergency Management Agency.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
STATE MILITARY READINESS							
GENERAL FUND.....	\$ 15,048	\$ 16,203	\$ 16,635	\$ 16,967	\$ 17,305	\$ 17,651	\$ 18,003
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	34,717	46,149	52,091	52,091	52,091	52,091	52,091
OTHER FUNDS.....	617	1,058	1,225	1,250	1,275	1,302	1,329
SUBCATEGORY TOTAL.....	\$ 50,382	\$ 63,410	\$ 69,951	\$ 70,308	\$ 70,671	\$ 71,044	\$ 71,423
VETERANS HOMES AND SCHOOL							
GENERAL FUND.....	\$ 55,282	\$ 59,572	\$ 58,340	\$ 59,729	\$ 60,923	\$ 62,141	\$ 63,384
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	13,379	16,540	18,408	18,408	18,408	18,408	18,408
OTHER FUNDS.....	16,130	17,276	18,113	18,475	18,844	19,223	19,607
SUBCATEGORY TOTAL.....	\$ 84,791	\$ 93,388	\$ 94,861	\$ 96,612	\$ 98,175	\$ 99,772	\$ 101,399
COMPENSATION AND ASSISTANCE							
GENERAL FUND.....	\$ 4,144	\$ 6,394	\$ 6,872	\$ 6,872	\$ 6,872	\$ 6,872	\$ 6,872
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	8	500	3,000	3,000	3,000	3,000	3,000
SUBCATEGORY TOTAL.....	\$ 4,152	\$ 6,894	\$ 9,872	\$ 9,872	\$ 9,872	\$ 9,872	\$ 9,872
ALL PROGRAMS:							
GENERAL FUND.....	\$ 74,474	\$ 82,169	\$ 81,847	\$ 83,568	\$ 85,100	\$ 86,664	\$ 88,259
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	48,096	62,689	70,499	70,499	70,499	70,499	70,499
OTHER FUNDS.....	16,755	18,834	22,338	22,725	23,119	23,525	23,936
DEPARTMENT TOTAL.....	\$ 139,325	\$ 163,692	\$ 174,684	\$ 176,792	\$ 178,718	\$ 180,688	\$ 182,694

Military and Veterans Affairs

PROGRAM OBJECTIVE: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to State or Federal mobilization.

Program: State Military Readiness

This program provides the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain requisite readiness capability to 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. Costs for military equipment and supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the Federal Government.

The readiness capability of Pennsylvania National Guard units is evaluated according to established Federal inspection and training standards. Primary efforts are directed toward having the Pennsylvania National Guard in top readiness condition in order to perform its State and

Federal missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of Air National Guard bases and installations and numerous Army National Guard armories and support facilities. To provide a quicker and more effective response to State or Federal mobilization, a Statewide communications network is in operation.

Included within this program are those activities essential to operate a network of 96 community armories and 6 air bases which serve as training locations for National Guard units. The Commonwealth is responsible for providing for the operation, maintenance and repair of the armories. These armories may also be utilized as mass care centers for disaster victims and to provide meeting and recreational facilities for local civic and youth organizations.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Pennsylvania National Guard personnel	20,736	20,345	20,345	20,345	20,345	20,345	20,345
Percentage of authorized strength level	93%	90%	90%	90%	90%	90%	90%

The program measure for the number of National Guard personnel has declined compared to last year's budget due to a reduction in authorized strength.

Program Recommendations:		This budget recommends the following changes: (Dollar Amounts in Thousands)	
\$ 343	General Government Operations	\$ 2	American Battle Monuments
50	—to continue current program.	2	—to provide additional maintenance on battle monuments.
37	—custodial services contract.		
	—equipment purchases.		
\$ 430	Appropriation Increase		

All other appropriations are recommended at the current year funding level.

Appropriations within this Program:	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 14,193	\$ 14,937	\$ 15,367	\$ 15,674	\$ 15,987	\$ 16,307	\$ 16,633
American Battle Monuments	4	4	6	6	6	6	6
Armory Maintenance and Repair	697	1,000	1,000	1,020	1,040	1,061	1,082
Drug Interdiction	12	62	62	63	64	65	66
Special State Duty	100	100	100	102	104	106	108
Base Realignment and Closure	42	100	100	102	104	106	108
TOTAL GENERAL FUND	\$ 15,048	\$ 16,203	\$ 16,635	\$ 16,967	\$ 17,305	\$ 17,651	\$ 18,003



Military and Veterans Affairs

PROGRAM OBJECTIVE: To provide nursing and domiciliary care for veterans and a school to educate veterans' children.

Program: Veterans Homes and School

The Department of Military and Veterans Affairs provides skilled nursing and domiciliary care for veterans who are disabled, indigent or in need of care. There are five veterans homes currently providing such care: the Soldiers and Sailors Home in Erie, the Veterans Home at Hollidaysburg, the Southeastern Pennsylvania Veterans Center, Northeastern Veterans Center and the Southwestern Veterans Center. The fifth home, the Southwestern Veterans Center, was constructed on the grounds of the U.S. Department of Veterans Affairs Highland Drive facility in Pittsburgh. Residents began to occupy the new 236-bed Southwestern Veterans Center during the fall of 1997.

The program receives assistance from the Federal

Government at levels of \$19.52 per patient day for domiciliary care, \$43.92 per patient day for nursing home care, and an average of \$10.00 per day for aid-in-attendance given directly to the patient. In addition, residents pay a maintenance fee to help offset the cost of services.

Act 127 of 1994 provides 21.5 acres of land for the sixth veterans home. The Delaware Valley Veterans Center will be located within Benjamin Rush State Park, Philadelphia.

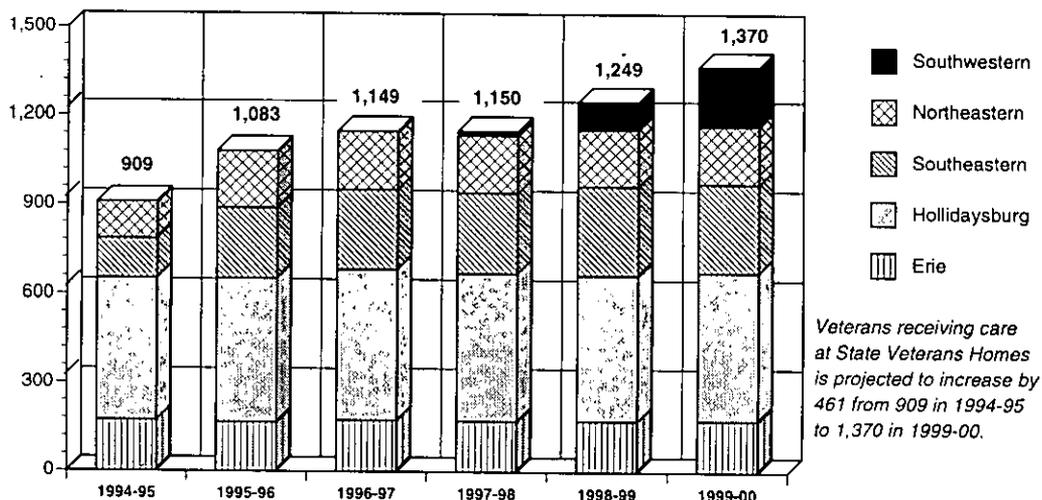
Scotland School for Veterans Children provides a student centered elementary and secondary curriculum for individual needs including college preparatory classes and vocational offerings.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Veterans Homes:							
Capacity (December):							
Erie	175	175	175	175	175	175	175
Hollidaysburg	514	514	514	514	514	514	514
Southeastern	304	304	304	304	304	304	304
Northeastern	200	200	200	200	200	200	200
Southwestern	236	236	236	236	236	236	236
Population (December):							
Erie	171	172	174	174	174	174	174
Hollidaysburg	499	493	500	500	500	500	500
Southeastern	272	300	299	299	299	299	299
Northeastern	195	193	197	197	197	197	197
Southwestern	13	91	200	235	235	235	235
Scotland School:							
Capacity	350	350	370	370	370	370	370
Population	342	350	370	370	370	370	370

Capacity of the Southwestern Veterans Home on December 31, 1997 was higher than estimated in last year's budget because construction of the facility was completed slightly earlier than originally projected.

Projected population of the Southwestern Veterans Home on December 31, 1998 is less than projected in last year's budget due to a more gradual phase-in of available beds.

State Veterans Homes Veterans Receiving Care



Military and Veterans Affairs

Program: Veterans Homes and School (continued)

Expenditures by Institution: (Dollar Amounts in Thousands)

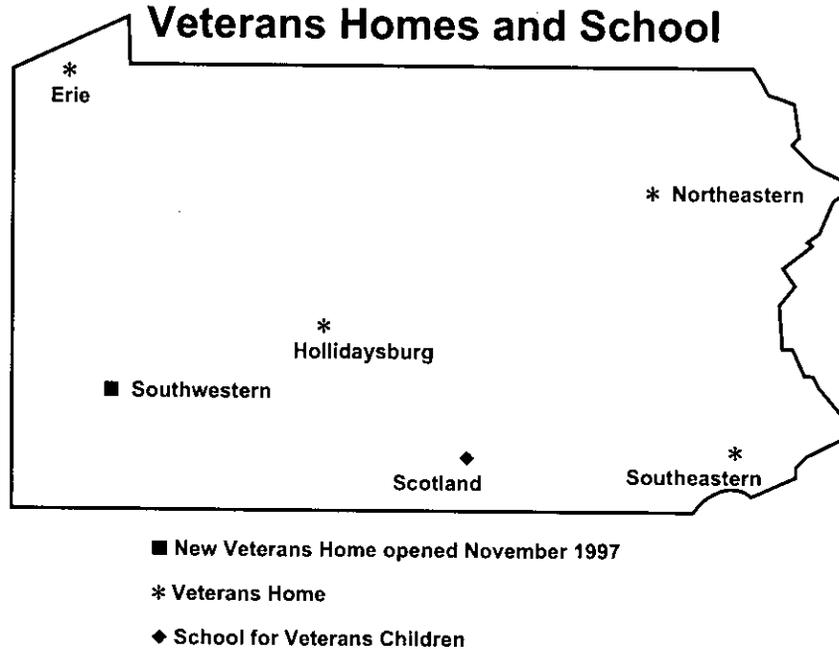
	1997-98 Actual	1998-99 Available	1999-00 Budget		1997-98 Actual	1998-99 Available	1999-00 Budget
Erie Soldiers and Sailors Home				Northeastern Veterans Home			
State Funds.....	\$ 5,449	\$ 5,765	\$ 5,749	State Funds.....	\$ 6,957	\$ 7,521	\$ 7,271
Federal Funds.....	1,560	1,870	1,960	Federal Funds.....	2,920	2,863	3,448
Augmentations.....	2,673	2,158	2,105	Augmentations.....	2,888	2,744	2,758
TOTAL.....	\$ 9,682	\$ 9,793	\$ 9,814	TOTAL.....	\$ 12,765	\$ 13,128	\$ 13,477
Hollidaysburg Veterans Home				Southwestern Veterans Home			
State Funds.....	\$ 19,242	\$ 19,179	\$ 19,039	State Funds.....	\$ 4,587	\$ 5,943	\$ 7,409
Federal Funds.....	5,230	5,915	6,236	Federal Funds.....	151	1,770	2,565
Augmentations.....	6,189	6,666	6,666	Augmentations.....	247	1,287	2,124
TOTAL.....	\$ 30,661	\$ 31,760	\$ 31,941	TOTAL.....	\$ 4,985	\$ 9,000	\$ 12,098
Southeastern Veterans Home				Scotland School for Veterans Children			
State Funds.....	\$ 12,605	\$ 14,415	\$ 12,050	State Funds.....	\$ 6,442	\$ 6,749	\$ 6,822
Federal Funds.....	3,017	3,525	3,701	Federal Funds.....	501	597	498
Augmentations.....	2,136	2,367	2,418	Augmentations.....	1,997	2,054	2,042
TOTAL.....	\$ 17,758	\$ 20,307	\$ 18,169	TOTAL.....	\$ 8,940	\$ 9,400	\$ 9,362

Population and Capacity	Population Dec 1998	Projected Population Dec 1999	Projected Capacity Dec 1999	Projected Percent of Capacity
Institution				
Erie Soldiers and Sailors Home.....	172	174	175	99%
Hollidaysburg Veterans Home.....	493	500	514	97%
Southeastern Veterans Home.....	300	299	304	98%
Northeastern Veterans Home.....	193	197	200	99%
Southwestern Veterans Home.....	91	200	236	85%
Scotland School for Veterans Children....	350	370	370	100%
Total.....	1,599	1,740	1,799	97%



Military and Veterans Affairs

Program: Veterans Homes and School (continued)



Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Erie Soldiers and Sailors Home</p> <p>\$ -134 —nonrecurring operational costs. 78 —for patient care equipment. 40 —to continue current program.</p> <hr/> <p>\$ -16 <i>Appropriation Decrease</i></p>	<p>Hollidaysburg Veterans Home</p> <p>\$ -340 —nonrecurring operational costs. 200 —for patient care equipment.</p> <hr/> <p>\$ -140 <i>Appropriation Decrease</i></p>	<p>Southeastern Veterans Home</p> <p>\$ -2,376 —nonrecurring cost of improvements. -189 —nonrecurring operational costs. 200 —for patient care equipment.</p> <hr/> <p>\$ -2,365 <i>Appropriation Decrease</i></p>	<p>Northeastern Veterans Home</p> <p>\$ -315 —nonrecurring operational costs. 65 —for patient care equipment.</p> <hr/> <p>\$ -250 <i>Appropriation Decrease</i></p>	<p>Southwestern Veterans Home</p> <p>\$ 1,260 —for additional staffing and operating costs associated with the opening of this new facility. -224 —nonrecurring operational costs. 162 —for patient care equipment. 268 —operation of new dementia wing opening in 1999-2000.</p> <hr/> <p>\$ 1,466 <i>Appropriation Increase</i></p>	<p>Scotland School for Veterans Children.</p> <p>\$ 73 —to continue current program.</p>
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Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Erie Soldiers and Sailors Home	\$ 5,449	\$ 5,765	\$ 5,749	\$ 5,864	\$ 5,981	\$ 6,101	\$ 6,223
Hollidaysburg Veterans Home	19,242	19,179	19,039	19,420	19,808	20,204	20,608
Southeastern Veterans Home	12,605	14,415	12,050	12,291	12,537	12,788	13,044
Northeastern Veterans Home	6,957	7,521	7,271	7,416	7,564	7,715	7,869
Southwestern Veterans Home	4,587	5,943	7,409	7,780	7,936	8,094	8,256
Scotland School for Veterans' Children	6,442	6,749	6,822	6,958	7,097	7,239	7,384
TOTAL GENERAL FUND	\$ 55,282	\$ 59,572	\$ 58,340	\$ 59,729	\$ 60,923	\$ 62,141	\$ 63,384

Military and Veterans Affairs

PROGRAM OBJECTIVE: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

Program: Compensation and Assistance

The Department of Military and Veterans Affairs administers several activities within this program.

Program Element: Veterans Assistance

Temporary financial assistance is provided for eligible veterans, their spouses and dependent children who are in need of financial assistance. Financial assistance is authorized for food, fuel, shelter and clothing and is limited to a period not exceeding three months.

Program Element: Blind Veterans Pension

Pensions of \$100 per month are provided for those Pennsylvania veterans who incurred functional blindness while performing active military service.

Program Element: National Guard Pensions

This program is responsible for the payment of a pension to guardsmen, widows 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 of 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 ten years. In the case of children of a deceased member, the pension is paid until the child reaches 18 years of age.

Program Element: Education of Children of Deceased and Disabled Veterans

Educational gratuities are provided for children of honorably discharged veterans who have been certified

as having wartime service-connected disabilities rated as total and permanent or children of veterans who have died of war service-connected disabilities. Under current law, \$500 per semester is available for eligible students attending post secondary institutions within the Commonwealth.

Program Element: Education — National Guard

Tuition grants are provided for certain members of the Pennsylvania National Guard who enroll in a Pennsylvania institution of higher learning with degree-granting status, as approved by the Department of Education. This educational assistance program was enhanced by Act 56 of 1996. Grants are available for full-time students for up to two-thirds of the tuition charged to a Pennsylvania resident at a member institution of the State System of Higher Education. 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: Paralyzed Veterans Pension

This program provides a pension of \$100 per month to those Pennsylvania veterans who have lost the use of two or more extremities while serving on active duty in the armed forces of the United States during an established war, armed conflict or combat-related activity in peacetime.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Veterans in Pennsylvania	1,306,398	1,296,398	1,276,398	1,266,398	1,256,398	1,246,398	1,236,398
Recipients of veterans emergency assistance	6,450	6,450	6,450	6,450	6,450	6,450	6,450
Recipients of blind veterans pensions	122	122	122	122	122	122	122
Students receiving financial aid	132	132	132	132	132	132	132
National Guard personnel receiving educational financial aid	1,796	1,877	2,065	2,403	2,508	2,508	2,508
Participants in paralyzed veterans programs	219	219	219	219	219	219	219

Recipients of veterans emergency assistance have declined compared to last year's budget due to a favorable economy.

Students receiving financial aid decrease from the projections shown in last year's budget because the number of program participants is expected to level off.

National Guard personnel receiving educational financial aid is projected to increase because of an expanded full-time student assistance program implemented in 1996-97. The estimated number of participants for 1998-99 is slightly lower than the estimate in last year's budget because it is based on the actual number of approved applications through October 1998 plus a projected number of additional applications through June 1999.

Participants in paralyzed veterans programs has declined from the estimate in last year's budget because the majority of veterans who qualify for this program are combat wounded from World War II and the Korean War. This population is decreasing at a faster rate than anticipated.

Military and Veterans Affairs

Program: Compensation and Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 20 **Education of Veterans Children**
—for additional educational assistance to eligible children of veterans.

\$ 5 **Blind Veterans Pension**
—to provide pensions for additional blind veterans.

\$ 582 **Education — National Guard**
—for educational grants to additional National Guard personnel.

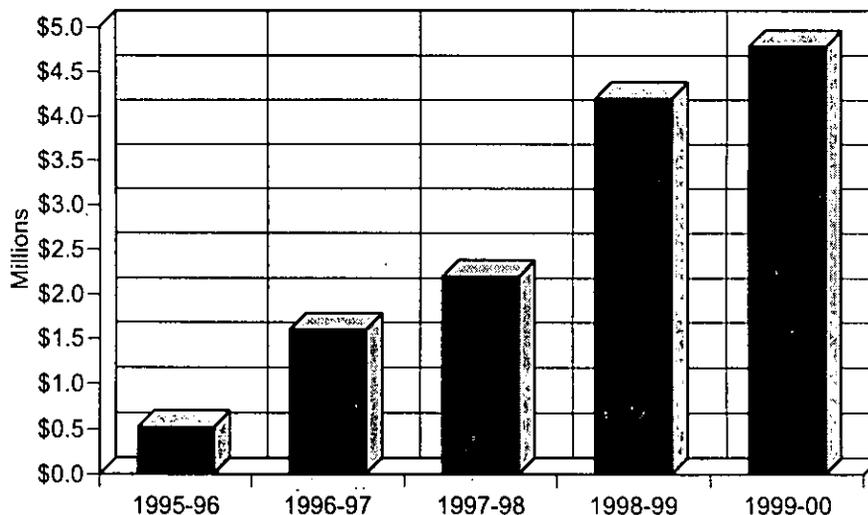
The budget recommends continuation of all other programs at sufficient levels to carry current programs forward.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Education of Veterans Children	\$ 145	\$ 150	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170
Education — National Guard	2,200	4,200	4,782	4,782	4,782	4,782	4,782
Veterans Assistance	1,134	1,266	1,250	1,250	1,250	1,250	1,250
Blind Veterans Pension	145	155	160	160	160	160	160
Paralyzed Veterans Pension	293	293	280	280	280	280	280
National Guard Pension	2	5	5	5	5	5	5
Civil Air Patrol	200	300	200	200	200	200	200
PA Air National Guard	25	25	25	25	25	25	25
TOTAL GENERAL FUND	\$ 4,144	\$ 6,394	\$ 6,872	\$ 6,872	\$ 6,872	\$ 6,872	\$ 6,872

Educational Financial Aid for National Guard Personnel



Funding has increased from \$526,000 in 1995-96 to \$4,782,000 recommended for 1999-00 - an increase of \$4,256,000 or 809%.





MILK MARKETING BOARD

The Milk Marketing Board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices.

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
MILK MARKETING FUND:			
<i>General Government:</i>			
General Operations.....	\$ 2,307	\$ 2,650	\$ 2,360
MILK MARKETING FUND TOTAL.....	\$ 2,307	\$ 2,650	\$ 2,360

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
MILK INDUSTRY REGULATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	2,307	2,650	2,360	2,407	2,455	2,504	2,554
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 2,307	\$ 2,650	\$ 2,360	\$ 2,407	\$ 2,455	\$ 2,504	\$ 2,554
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
SPECIAL FUNDS.....	2,307	2,650	2,360	2,407	2,455	2,504	2,554
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 2,307	\$ 2,650	\$ 2,360	\$ 2,407	\$ 2,455	\$ 2,504	\$ 2,554



PROGRAM OBJECTIVE: To maintain an adequate supply of wholesome fluid milk.

Program: Milk Industry Regulation

The Milk Marketing Board is a special fund agency financed from milk industry license fees, permit fees and fines. The board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices. It formulates policy, holds public hearings and subsequently issues and enforces General Marketing Orders, rules and regulations. The board also handles prosecution and levying of penalties against violators of the Milk Marketing Law, the Milk Producer's Security Act and board regulations.

The board's major function continues to be ensuring 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.

To regulate the market the board uses the ratio of the supply of fluid milk to demand. The ratio is based on long-term economic policy and suggests that a proper balance exists when the supply of fluid milk equals 125 percent of fluid sales, with a variance of eight percent in either direction. In 1997-98, the supply of milk was 126 percent of the demand. A ratio of 133 percent or more suggests that supply exceeds demand and that a review of producer and resale prices is warranted. A ratio of 117 percent or less suggests that demand exceeds supply and that prices should be reviewed to provide incentives for expanded production.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Licenses and permits issued	2,908	2,900	2,900	2,900	2,900	2,900	2,900
Dealer audits for compliance with rules and regulations	770	770	770	770	770	770	770

Program Recommendation:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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MILK MARKETING FUND:	
	General Operations
\$ -319	—nonrecurring projects.
29	—to continue current program.
<u>\$ -290</u>	<i>Appropriation Decrease</i>

Appropriations within this Program:	(Dollar Amounts in Thousands)
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	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
MILK MARKETING FUND:							
General Operations	\$ 2,307	\$ 2,650	\$ 2,360	\$ 2,407	\$ 2,455	\$ 2,504	\$ 2,554



BOARD OF PROBATION AND PAROLE

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The board attempts to allow an early and controlled release of persons from correctional institutions as well as to detect those who cannot adjust to the community. State probation services and presentence investigations are also provided upon request from the courts. The Office of the Victim Advocate within the Board of Probation and Parole administers the victim service programs of both the board and the Department of Corrections. The Sexual Offenders Assessment Board is responsible for the assessment of offenders who may be sexually violent predators and for the review of registration of sexual offenders.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

**1999-00
State
Funds
(in thousands)**

Title

Appropriation

Protecting Public Safety Through Enforcement, Prevention and Rehabilitation

General Government Operations..... \$ 1,051

This Program Revision provides resources to expand the Residential Substance Abuse Treatment Program and provides funding for automation of various processes and models utilized by the board to protect public safety. This is part of the \$24.4 million Protecting Public Safety Through Enforcement, Prevention and Rehabilitation Program Revision. Please see the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information on this Program Revision.

Department Total..... \$ 1,051

Probation and Parole

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 56,295	\$ 60,564 ^a	\$ 65,564
(F)DCSI - County Adult Probation Automated System.....	25	4	0
(F)DCSI - Office of Victim Advocate.....	82	49	0
(F)DCSI - Office of Victim Advocate Automation Enhancement.....	0	141	0
(F)DCSI - Intensive Supervision Units.....	1,033	685	0
(F)DCSI - Automated File Location System.....	0	75	0
(F)Residential Substance Abuse Treatment.....	72	120	0
(F)DCSI - Residential Substance Abuse Treatment Aftercare.....	0	395	305
(F)RSAT - Administration and Staffing.....	0	0	404
(F)DCSI - County SAVE.....	0	933	803
(F)DCSI - Digital Photograph System.....	0	556	556
(A)State Parole Supervision Fees.....	748	1,395	630
Subtotal.....	\$ 58,255	\$ 64,917	\$ 68,262
Sexual Offenders Assessment Board.....	148 ^b	847 ^c	1,182
(F)DCSI - Assessment Board.....	344	841	395
Subtotal.....	\$ 492	\$ 1,688	\$ 1,577
Drug Offenders Work Program.....	190	233	247
Subtotal.....	\$ 190	\$ 233	\$ 247
Subtotal - State Funds.....	\$ 56,633	\$ 61,644	\$ 66,993
Subtotal - Federal Funds.....	1,556	3,799	2,463
Subtotal - Augmentations.....	748	1,395	630
Total - General Government.....	\$ 58,937	\$ 66,838	\$ 70,086
<i>Grants and Subsidies:</i>			
Improvement of Adult Probation Services.....	\$ 17,000	\$ 17,627	\$ 18,759
(A)County Parole Supervision Fees.....	8,051	7,728	7,728
Subtotal.....	\$ 25,051	\$ 25,355	\$ 26,487
Subtotal - State Funds.....	\$ 17,000	\$ 17,627	\$ 18,759
Subtotal - Augmentations.....	8,051	7,728	7,728
Total - Grants and Subsidies.....	\$ 25,051	\$ 25,355	\$ 26,487
STATE FUNDS.....	\$ 73,633	\$ 79,271	\$ 85,752
FEDERAL FUNDS.....	1,556	3,799	2,463
AUGMENTATIONS.....	8,799	9,123	8,358
GENERAL FUND TOTAL.....	\$ 83,988	\$ 92,193	\$ 96,573
OTHER FUNDS:			
<i>GENERAL FUND:</i>			
Firearms Education and Training Commission.....	\$ 140	\$ 280	\$ 198
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 73,633	\$ 79,271	\$ 85,752
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	1,556	3,799	2,463
AUGMENTATIONS.....	8,799	9,123	8,358
OTHER FUNDS.....	140	280	198
TOTAL ALL FUNDS.....	\$ 84,128	\$ 92,473	\$ 96,771



Footnotes To Summary by Fund and Appropriation

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- ^a Actually appropriated as \$60,155,000 for General Government Operations and includes \$331,525 executively authorized from State Match for DCSI Subgrants appropriation. Also includes \$77,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
 - ^b Actually appropriated as part of the \$57,190,000 General Government Operations appropriation.
 - ^c Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
REINTEGRATION OF THE ADULT OFFENDER							
GENERAL FUND.....	\$ 73,633	\$ 79,271	\$ 85,752	\$ 87,259	\$ 88,627	\$ 90,025	\$ 91,450
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,556	3,799	2,463	2,463	2,463	2,463	2,463
OTHER FUNDS.....	8,939	9,403	8,556	8,573	8,590	8,607	8,624
SUBCATEGORY TOTAL.....	\$ 84,128	\$ 92,473	\$ 96,771	\$ 98,295	\$ 99,680	\$ 101,095	\$ 102,537
ALL PROGRAMS:							
GENERAL FUND.....	\$ 73,633	\$ 79,271	\$ 85,752	\$ 87,259	\$ 88,627	\$ 90,025	\$ 91,450
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	1,556	3,799	2,463	2,463	2,463	2,463	2,463
OTHER FUNDS.....	8,939	9,403	8,556	8,573	8,590	8,607	8,624
DEPARTMENT TOTAL.....	\$ 84,128	\$ 92,473	\$ 96,771	\$ 98,295	\$ 99,680	\$ 101,095	\$ 102,537



PROGRAM OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Program: Reintegration of the Adult Offender

The Pennsylvania Board of Probation and Parole operates in a complex and interdependent criminal justice system in the Commonwealth.

The board's primary goal is to protect the community from crime through a process of supervising offenders who are serving sentences in the community. The primary functions of the board are to grant parole and supervise adult offenders with a maximum sentence of two years or more, revoke the parole of technical parole violators and criminal violators convicted of new crimes, and discharge from parole clients under supervision who have fulfilled their sentences in compliance with the conditions governing parole. Commonwealth judges parole inmates with maximum sentences under two years. Under the direction of the county courts, cases can be certified to the State under special probation and parole supervision.

The board also has quasi-judicial case decision-making responsibility. Two dominant types of decisions are made from information provided by field and institutional staff: parole release decisions and revocation decisions.

Explicit parole guidelines are used in the decision-making process in order to structure discretion and maintain fairness in the system. The effect of these successful program efforts in decision-making is that justice is administered fairly and decision-making is more accountable to the public.

In addition to operating the State parole program, the board has the responsibility of administering a grant-in-aid program to support county adult probation personnel and services. The grant-in-aid program provides funds to

any county which adds probation staff for presentence investigations and for improved probation supervision and programs. Act 134 of 1986, which amended the Probation and Parole Act, provides that counties shall be reimbursed for up to eighty percent of the personnel costs incurred to administer these additional services and programs, provided that sufficient funds are appropriated.

Act 35 of 1991 mandates that a monthly supervision fee be paid by all offenders under State supervision unless a waiver is granted. In addition, Act 35 requires that the sentencing judge of the Court of Common Pleas impose upon county offenders as a condition of supervision, a monthly supervision fee of at least twenty-five dollars unless reduced, waived or deferred.

Act 8 of Special Session One of 1995 created the Office of Victim Advocate within the board to represent the interests of crime victims before the board or the Department of Corrections.

Act 24 of 1995, or Megan's Law as it is commonly known, established the Sexual Offenders Assessment Board which is responsible for conducting assessments of sexual offenders to determine if they are sexually violent predators. The act requires sexually violent predators to register all current addresses upon release from incarceration or parole from a State, county or intermediate punishment program. The Pennsylvania State Police are required to verify the residence of sexually violent predators every 90 days. The offender's victim and neighbors must also be notified of the offender's address.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Probationers and parolees in caseload:							
County	165,495	174,773	180,819	186,866	192,912	198,959	205,005
State	20,778	20,451	21,248	22,217	23,017	23,577	23,980
Annual addition to caseload population	9,010	9,891	9,985	9,933	9,852	9,807	9,880



Program: Reintegration of the Adult Offender (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Investigative reports completed	23,325	19,603	20,387	21,202	22,051	23,400	24,336
Annual caseload additions likely to return to prison	3,244	3,561	3,595	3,576	3,547	3,531	3,557
and as a percentage of annual additions to caseload	36%	36%	36%	36%	36%	36%	36%
Average cases per parole agent	61	60	60	61	64	65	66

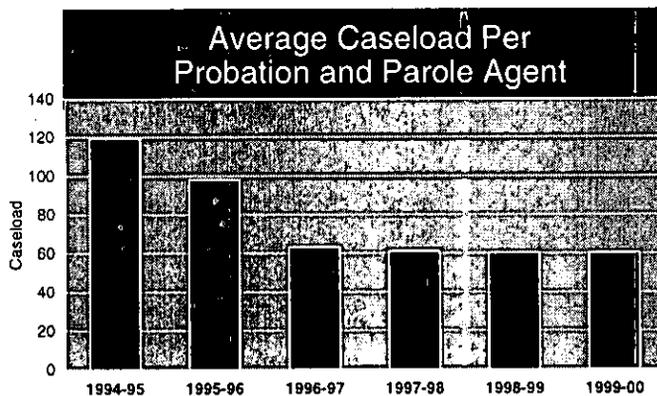
The projections for annual addition to caseload population and annual caseload additions likely to return to prison increase from last year's budget due to modified methodologies used to more accurately estimate these measures.

Investigative reports completed increase from last year's budget due to additional investigations conducted on persons applying for parole.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 1,974 —to continue current program.</p> <p>1,210 —to increase State matching funds for Federal grants, information technology and other operating costs.</p> <p>765 —to replace nonrecurring State supervision fees.</p> <p>1,051 —PRR — Protecting Public Safety Through Enforcement, Prevention and Rehabilitation. This Program Revision expands the Residential Substance Abuse Treatment Program for technical parole violators with substance abuse problems and provides for automation of various systems to enhance public safety. See the Program Revision following the Institutionalization of Offenders Program in the Department of Corrections for additional information.</p> <hr/> <p>\$ 5,000 <i>Appropriation Increase</i></p>	<p>General Government Operations</p>	<p>\$ 110 —to continue current program.</p> <p>225 —increase in assessment costs.</p> <hr/> <p>\$ 335 <i>Appropriation Increase</i></p>	<p>Sexual Offenders Assessment Board</p>
		<p>\$ 14 —to continue current program.</p>	<p>Drug Offenders Work Program</p>
		<p>\$ 1,132</p>	<p>Improvement of Adult Probation Services —for grants to counties for professional county personnel salary costs. A charge of \$25 per month offsets the costs of administering this program for employed offenders on State county parole supervision. Estimated fee collections for 1999-00 are \$7,728,000. This amount will augment State funds of \$18,759,000 and provide \$26,487,000 or 77 percent reimbursement to the counties.</p>



The supervision of offenders by parole agents has been strengthened by reducing and maintaining the average agent's caseload at almost half of the 1994-95 caseload of 119. In 1999-00, it is estimated the average agent's caseload will be only 60.

In addition, the Protecting Public Safety Through Enforcement, Prevention and Rehabilitation Program Revision following the Institutionalization of Offenders Program in the Department of Corrections recommends \$404,000 in Federal funds to expand the Residential Substance Abuse Treatment program for technical parole violators with substance abuse problems.

Program: Reintegration of the Adult Offender (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 56,295	\$ 60,564	\$ 65,564	\$ 67,042	\$ 68,381	\$ 69,749	\$ 71,144
Sexual Offenders Assessment Board	148	847	1,182	1,206	1,230	1,255	1,280
Drug Offenders Work Program	190	233	247	252	257	262	267
Improvement of Adult Probation Services	17,000	17,627	18,759	18,759	18,759	18,759	18,759
TOTAL GENERAL FUND	\$ 73,633	\$ 79,271	\$ 85,752	\$ 87,259	\$ 88,627	\$ 90,025	\$ 91,450



PUBLIC TELEVISION NETWORK

The Public Television Network promotes and encourages public television in Pennsylvania. The network facilities provide services to the seven public television stations and two affiliated stations including the recording, storage and delivery of programs and the interconnection of the stations for Statewide program production and exchange. The network also administers a grant program to support station operations, instructional television services, program production and program acquisition.

Public Television Network

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 2,869	\$ 2,967 ^a	\$ 2,977
(A)Special Production Projects.....	12	10	10
Digital Equipment Conversion.....	0	3,000	7,800
Subtotal - State Funds.....	\$ 2,869	\$ 5,967	\$ 10,777
Subtotal - Augmentations.....	12	10	10
Total - General Government.....	\$ 2,881	\$ 5,977	\$ 10,787
<i>Grants and Subsidies:</i>			
Public Television Station Grants.....	\$ 6,368	\$ 6,618	\$ 6,368
STATE FUNDS.....	\$ 9,237	\$ 12,585	\$ 17,145
AUGMENTATIONS.....	12	10	10
GENERAL FUND TOTAL.....	\$ 9,249	\$ 12,595	\$ 17,155

^a Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
PUBLIC TELEVISION SERVICES							
GENERAL FUND.....	\$ 9,237	\$ 12,585	\$ 17,145	\$ 15,175	\$ 9,466	\$ 9,528	\$ 9,591
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	12	10	10	10	10	10	10
SUBCATEGORY TOTAL.....	\$ 9,249	\$ 12,595	\$ 17,155	\$ 15,185	\$ 9,476	\$ 9,538	\$ 9,601
ALL PROGRAMS:							
GENERAL FUND.....	\$ 9,237	\$ 12,585	\$ 17,145	\$ 15,175	\$ 9,466	\$ 9,528	\$ 9,591
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	12	10	10	10	10	10	10
DEPARTMENT TOTAL.....	\$ 9,249	\$ 12,595	\$ 17,155	\$ 15,185	\$ 9,476	\$ 9,538	\$ 9,601



PROGRAM OBJECTIVE: To provide for the development and support of Pennsylvania's network of noncommercial public television stations.

Program: Public Television Services

The Pennsylvania Public Television Network Commission established by Act 329 of 1968, links seven independent noncommercial television stations in Pennsylvania to create a system in which stations provide programming to the people of Pennsylvania through independent and group efforts. The stations are located in Bethlehem, Erie, Philadelphia, Pittsburgh, Pittston, University Park and Harrisburg. In addition, the commission funds second public television stations in Philadelphia and Pittsburgh which provide different program service for their viewers.

Funding for the operations of the noncommercial television stations in Pennsylvania comes from several sources. Private donations from business and industry, and contributions from individuals provide over 60 percent of the revenue needed for operations. Grants from the Commonwealth and Federal Government also provide operating funds.

The operation of the network, located in Hershey, is fully funded by a General Fund appropriation. The network is directed by a commission that includes representatives from the seven stations, the education community, the Legislature, the Council on the Arts, and the public. The commission provides governance of the network and Statewide coordinating functions through a computerized microwave telecommunications system. Through the network each station has access to programs produced by other Pennsylvania stations and programs acquired from outside sources. Network promotion and audience research services are also provided as well as guidance in producing programs on cultural, educational, and public affairs of interest to all Pennsylvanians.

The network provides, through its facilities, a videoconferencing system for State agencies, which results in a reduction in travel time and expense.

Instructional television is provided by each of the stations in cooperation with school districts and intermediate units, which purchase broadcast rights for some nationally produced programs. Some educational television series are produced by Pennsylvania stations for broadcast on Statewide and national television. These instructional series are curriculum-based and utilize such network services as Pennsylvania Learning-on-Line. An increasing number of the stations are on the air 24 hours a day with telecourses, General Education Degree courses and a wide variety of educational programming carried during the early morning hours. Public stations provide 1,120 hours of broadcasting per week.

Currently, commercial and non-commercial television stations broadcast analog signals. The U.S. Congress has mandated that by May 1, 2003, all stations must transmit digital television signals along with analog. In addition, by 2006, all analog transmissions must cease. The difference in the signals are two-fold. First, a sharper, clearer picture can be received by a digital television set. Second, only one analog signal can be broadcast in a particular band. With digital signals, four separate programming signals can be sent within the same band. The Public Television Network will be coordinating the efforts among the member stations to effect the conversion.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Households watching public television at least once a week	2,964,000	3,200,000	3,250,000	3,275,000	3,275,000	3,275,000	3,275,000
Contributing memberships	301,000	300,000	305,000	310,000	325,000	325,000	325,000

Public Television Network

Program: Public Television Services (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 10	General Government Operations —to continue current program.	\$ -250	Public Television Station Grants —nonrecurring project.
\$ -3,000	Digital Equipment Conversion —nonrecurring digital equipment costs.		
7,800	—Initiative — Converting Public Television Stations to Digital Signal Equipment. To convert three additional public television stations from analog to digital signal broadcasting.		
\$ 4,800	<i>Appropriation Increase</i>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,869	\$ 2,967	\$ 2,977	\$ 3,037	\$ 3,098	\$ 3,160	\$ 3,223
Digital Equipment Conversion	0	3,000	7,800	5,770	0	0	0
Public Television Station Grants	6,368	6,618	6,368	6,368	6,368	6,368	6,368
TOTAL GENERAL FUND	\$ 9,237	\$ 12,585	\$ 17,145	\$ 15,175	\$ 9,466	\$ 9,528	\$ 9,591





PUBLIC UTILITY COMMISSION

The Public Utility Commission insures that safe and adequate public utility services are available at fair and reasonable rates. This is accomplished through enforcement of the Public Utility Law and promulgation of regulations adopted by the commission.

The commission is comprised of five members appointed by the Governor with Senate confirmation.

The dollar amounts shown are not appropriations from the General Fund. The commission receives a budgetary authorization ceiling and then bills the utilities for the amounts of the approved estimate of expenditures. The commission spends directly from the restricted revenue account in which the utilities' payments are placed when collected.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
(R)General Government Operations.....	\$ 37,894	\$ 39,183	\$ 40,611
(R)Consumer Education.....	0	200	0
(R)First Class City Taxicab Regulation.....	1,388	1,389	1,435
(F)Natural Gas Pipeline Safety.....	244	300 ^a	250
(F)Motor Carrier Safety.....	705	705	705
Subtotal - Federal Funds.....	949	1,005	955
Subtotal - Restricted Revenues.....	39,282	40,772	42,046
Total - General Government.....	\$ 40,231	\$ 41,777	\$ 43,001
FEDERAL FUNDS.....	949	1,005	955
RESTRICTED REVENUES.....	39,282	40,772	42,046
GENERAL FUND TOTAL.....	\$ 40,231	\$ 41,777	\$ 43,001

^a Includes recommended supplemental appropriation of \$50,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 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.....	949	1,005	955	955	955	955	955
OTHER FUNDS.....	39,282	40,772	42,046	42,887	43,744	44,619	45,511
SUBCATEGORY TOTAL.....	\$ 40,231	\$ 41,777	\$ 43,001	\$ 43,842	\$ 44,699	\$ 45,574	\$ 46,466
ALL PROGRAMS:							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	949	1,005	955	955	955	955	955
OTHER FUNDS.....	39,282	40,772	42,046	42,887	43,744	44,619	45,511
DEPARTMENT TOTAL.....	\$ 40,231	\$ 41,777	\$ 43,001	\$ 43,842	\$ 44,699	\$ 45,574	\$ 46,466



PROGRAM OBJECTIVE: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.

Program: Regulation of Public Utilities

The Public Utility Code requires the Public Utility Commission (PUC), an arm of the General Assembly, to ensure that safe and adequate utility service is available to the public at fair and reasonable rates.

The commission regulates about 6,900 utilities which include electric, gas, steam heat, water, telephone, telegraph, and sewage collection and disposal services; transportation of passengers and property by railroad, aircraft, boat, ferry and motor carrier; and transportation of certain products by pipeline.

In 1997-98, the Public Utility Commission completed 35 fixed utility rate cases. Rate increases of \$27 million were requested; rate increases of nearly \$16 million were allowed. Rate increases of \$3.4 million requested by transportation utilities were also allowed.

Pennsylvania has taken a leadership role in the deregulation of the electric industry. Act 138 of 1996 has become model legislation for other states desiring to deregulate the electric industry with the intended effect of lowering electric utility rates through increased competition. Electric customers will be able to choose the company which supplies their electricity. Pilot programs began in the fall of 1997 with total implementation being phased-in from January 1999 through January 2001.

Federal Law (P.L. 103-305) effective January 1, 1995, pre-empts State regulation of trucking rates and routes. The PUC's jurisdiction on motor carrier regulation has now been essentially limited to safety authority, insurance coverage, and transportation of household goods and passengers.

In addition to its primary duty of ensuring that adequate service at reasonable rates is available to the public, the commission is required or empowered to:

- prescribe rates for certain types of common carrier by motor vehicle type and to establish accounting and service requirements for them;
- regulate the formation, merger and consolidation of public utilities;
- determine whether a public utility should be permitted to discontinue service to the public other than for non-payment for service rendered;
- regulate the crossing of public highways by the facilities of public utilities;
- inspect the properties, test the equipment and examine the books and other records of utilities;
- prescribe systems of accounting for public utilities;
- determine whether the issuance of utility stocks and long-term debt by public utilities is necessary or proper for the present and probable future capital needs of the utilities;
- inquire into the reasonableness, from the point of view of the public interest, of contracts between public utilities and municipalities, and of contracts for services between public utilities and their affiliates;
- assess all its expenses on utilities in accordance with Act 33 of 1972; and,
- conduct management efficiency investigations and construction cost audits.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Utilities regulated:							
Fixed utilities:							
Electric distribution	17	16	16	15	15	15	15
Electric Generation	55	90	100	65	110	113	116
Other	1,031	1,000	1,020	1,040	1,065	1,090	1,115
Transportation	5,865	6,000	6,000	6,000	6,000	6,000	6,000
Rate requests received:							
Fixed utilities	35	35	30	30	30	30	30
Transportation	107	75	75	75	75	75	75
Rate cases completed:							
Fixed utilities	35	35	30	30	30	30	30
Transportation	107	75	75	75	75	75	75
Audits conducted:							
Fixed utilities:							
Financial	24	33	23	25	30	36	23
Energy fuel	32	74	52	35	35	35	35
Management	8	8	8	6	8	6	6

Public Utility Commission

Program: Regulation of Public Utilities (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Enforcement/investigations:							
Fixed utilities	929	935	938	940	940	940	940
Transportation:							
Rail safety	31,888	40,000	40,000	40,000	40,000	40,000	40,000
Motor safety	23,485	25,000	25,000	25,000	25,000	25,000	25,000
Consumer services:							
Fixed utilities:							
Complaints received, investigated and resolved	51,791	55,000	55,000	55,000	55,000	55,000	55,000
Electric Deregulation:							
Homes eligible to participate (thousands) ..	225	2,000	2,100	2,200	2,300	2,400	2,500
Businesses eligible to participate (thousands)	26	280	310	340	370	400	430
Estimated Savings:							
Homes (millions)*	\$85.8	\$143.9	\$202.9	\$262.4	\$322.0	\$380.7	\$440.1
Businesses (millions)*	\$142.9	\$239.9	\$338.3	\$437.4	\$536.8	\$634.5	\$73.5

Fixed utilities regulated increased from those in last year's budget because of electric generation and gas companies entering the new competitive markets.

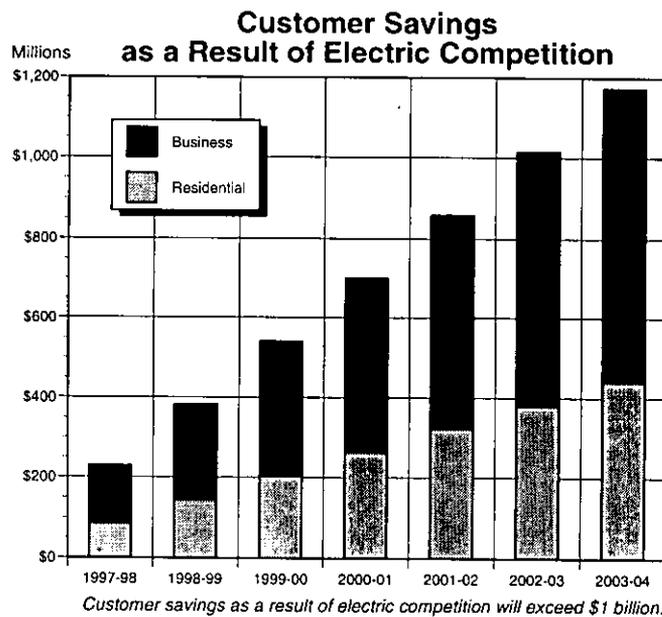
Rate requests received are less than projected in last year's budget primarily due to fluctuations in the new competitive markets.

Audits conducted are less than projected in last year's budget due to a shift in priorities to deregulation issues.

Complaints received, investigated and resolved are higher than projected in last year's budget due to improvements in the complaint resolution process.

Rate requests received and rate cases completed no longer include electric utilities due to the deregulation of the electric industry.

*New program measure added this year.



Program Recommendations:

This budget recommends the following from restricted accounts:
(Dollar Amounts in Thousands)

\$ 1,428 **General Government Operations**
—to continue current program.

\$ 46 **First Class City Taxicab Regulation**
—to continue current program.

\$ -200 **Consumer Education**
—nonrecurring projects.





DEPARTMENT OF PUBLIC WELFARE

The Department of Public Welfare administers programs to promote, improve and sustain the quality of family life, break the cycle of dependency and protect Pennsylvania's most vulnerable citizens. This is accomplished by supporting financial independence, through training, day care and medical assistance for those who are able and supporting community living in the least restrictive setting for those in need of assistance in daily living. When necessary, high-quality institutional care and treatment is delivered in settings that are safe and responsive to human needs. Citizen participation is an essential ingredient in helping the Department of Public Welfare to define service needs and develop programs to address these needs.

Services are provided directly and indirectly through regulations, supervision, subsidies and purchase of services. The actual delivery of welfare services is executed through regional and county offices, county assistance offices and various types of institutions.



PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Title	Appropriation	1999-00 State Funds (in thousands)
Promoting Self-Sufficiency and Responsibility		
	New Directions.....	\$ 2,463

This Program Revision provides approximately \$2.5 million in State funds and \$74.2 million in Federal funds to increase the availability and accessibility of subsidized child care services, expand the employment and training continuum to include short-term paid work experience and job readiness training for welfare recipients with the most significant barriers to employment, and implement fatherhood initiatives designed to promote strong families through personal and parental responsibility. A total of \$81 million in State and Federal funds is provided for this Program Revision across two agencies.

Expanding Home and Community-Based Opportunities for Persons with Disabilities

Community Mental Retardation Service.....	\$ 7,325
General Government Operations.....	61
County Administration — Statewide.....	<u>18</u>
Subtotal.....	\$ 7,404

This Program Revision provides approximately \$7.4 million in State funds and \$24.4 million in Federal and Other funds to expand and enhance the availability of home and community-based services for persons with mental retardation, individuals with disabilities such as traumatic brain injury and autism or who are ventilator dependent, and older Pennsylvanians. This Program Revision also proposes to transfer the Bureau of Blindness and Visual Services from the Department of Public Welfare to the Department of Labor and Industry to improve services for persons who are blind or visually impaired. A total of \$35.3 million in State, Federal and Other funds is provided for this Program Revision across six agencies.

Department Total.....	<u>\$ 9,867</u>
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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
General Government:			
General Government Operations.....	\$ 36,831^a	\$ 37,922^{bc}	\$ 40,096
(F)Child Welfare Services - Administration.....	1,974	2,055	2,055
(F)Child Welfare - Title IV-E.....	1,862	2,117	2,190
(F)Child Welfare Training and Certification.....	8,362	9,000	9,432
(F)CCDBG - Administration.....	845	0	0
(F)CCDFBG - Administration.....	1,519	2,873	2,904
(F)Medical Assistance - Administration.....	16,730	17,104	17,478
(F)TANFBG - Administration.....	1,881	4,649	4,724
(F)Food Stamps - Administration.....	3,398	3,692	3,848
(F)Developmental Disabilities - Basic Support.....	4,088	4,090	4,090
(F)Refugees and Persons Seeking Asylum - Administration.....	989	1,271	1,072
(F)Homeless Mentally Ill - Administration.....	5	0	0
(F)Disabled Education - Administration.....	1,135	1,220	1,246
(F)Child Abuse Prevention Challenge Grant.....	1,357	900	0
(F)MHSBG - Administration.....	87	98	98
(F)SSBG - Administration.....	3,900	3,690	3,691
(F)Community Based Family Resource and Support.....	800	0	0
(F)Lead-Based Paint Abatement - Training.....	138	0	0
(F)Training - Lead-Based Paint Abatement.....	0	164	154
(A)Institutional Collections and Reimbursements.....	285	0	0
(A)Training Reimbursement.....	281	443	456
(A)Child Abuse Reviews.....	2,346	2,500	2,625
(A)Miscellaneous Reimbursements.....	102	93	96
(A)State General Hospital Institutional Collections.....	8	0	0
Subtotal.....	\$ 88,923	\$ 93,881	\$ 96,255
Information Systems.....	26,557^d	27,059^{ef}	27,022
(F)Medical Assistance - Information Systems.....	14,826	16,104	17,041
(F)Child Welfare - Title IV-E.....	213	856	855
(F)TANFBG - Information Systems.....	2,344	2,983	2,788
(F)Food Stamps - Information Systems.....	4,973	5,119	5,230
(F)Child Support Enforcement - Information Systems.....	657	585	792
Subtotal.....	\$ 49,570	\$ 52,706	\$ 53,728
County Administration - Statewide.....	37,621	42,371^g	44,631
(F)TANFBG - Statewide.....	4,095	4,095	5,595
(F)Medical Assistance - Statewide.....	27,965	36,110	36,498
(F)Food Stamps - Statewide.....	4,133	5,101 ^h	6,545
(F)June 1998 Storm Disaster-Individual and Family Assistance-Ad.....	0	30	0
(A)Fee for Material from Outside Vendors.....	49	101	42
(A)Food Stamps - Retained Collections.....	2,122	2,497	2,497
(A)Intergovernmental Transfer.....	576	0	0
Subtotal.....	\$ 76,561	\$ 90,305	\$ 95,808
County Assistance Offices.....	238,334	243,305ⁱ	249,377
(F)TANFBG - County Assistance.....	44,802	45,302	45,361
(F)Medical Assistance - County Assistance.....	49,742	58,215	57,209
(F)Food Stamps - County Assistance.....	62,928	66,054	65,880
(F)SSBG-County Assistance.....	6,619	6,262	6,262
(F)LIHEABG - Administration.....	5,889	6,603	6,642
Subtotal.....	\$ 408,314	\$ 425,741	\$ 430,731
Child Support Enforcement.....	5,659	12,602^j	20,508
(F)Medical Assistance - Child Support Enforcement.....	2,888	716 ^k	788
(F)Child Support Enforcement - Title IV - D.....	59,495	126,597	123,025
(F)Foods Stamps - Child Support Enforcement.....	4,200	0	0
(A)Title IV - D Incentive Collections.....	548	9,199	1,400
(A)Restitutions and Overpayments.....	890	890	890

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
(A)Food Stamp Collections.....	166	166	166
(A)State Retained Support Collections.....	1,451	1,451	1,451
Subtotal.....	\$ 75,297	\$ 151,621	\$ 148,228
New Directions.....	58,785	81,552	84,897
(F)TANFBG - New Directions.....	41,438	40,152	64,100
(F)Medical Assistance - New Directions.....	2,766	3,834	2,831
(F)Food Stamps - New Directions.....	9,610	18,196	28,336
(F)Welfare to Work.....	0	44,296	44,296
(A)Single Point of Contact Health Insurance Program.....	1	6	6
Subtotal.....	\$ 112,600	\$ 188,036	\$ 224,466
Subtotal - State Funds.....	\$ 403,787	\$ 444,811	\$ 466,531
Subtotal - Federal Funds.....	398,653	540,133	573,056
Subtotal - Augmentations.....	8,825	17,346	9,629
Total - General Government.....	\$ 811,265	\$ 1,002,290	\$ 1,049,216
Institutional:			
Youth Development Institutions and Forestry Camps.....	\$ 75,354	\$ 78,737^m	\$ 80,666
(F)SSBG - Basic Institutional Program.....	0	1,056	1,056
(F)Food Nutrition Services.....	0	1,050	750
(F)Food Nutrition Services - YDC.....	350	0	0
(F)DFSC - Special Programs - Juvenile Aftercare Services.....	1,100	1,225	1,225
(F)DCSI - Mental Health Initiatives.....	0	281	98
(F)DCSI - YDC/YFC Review and Assessment.....	0	75	50
(F)DCSI - Medical and Psychiatric Services Assessment.....	0	24	16
(A)Cafeteria Reimbursements.....	2	4	4
(A)Institutional Reimbursements.....	4	8	8
(A)School Lunch Program.....	48	58	58
(A)DCSI - Projects Match.....	93	33	0
Subtotal.....	\$ 76,951	\$ 82,551	\$ 83,931
Mental Health Services.....	558,933	583,292^{no}	589,639
(F)Medical Assistance - Mental Health.....	212,844	213,566	198,010
(F)Medicare Services - State Mental Hospitals.....	22,231	19,292	21,322
(F)Homeless Mentally Ill.....	475	674	674
(F)MHSBG - Community Mental Health Services.....	11,865	11,938	11,927
(F)SSBG - Community Mental Health Services.....	16,221	14,808	14,808
(F)Community Support Projects - MH.....	36	36	0
(F)ACCESS Cooperative Agreement.....	1,864	50	0
(F)Behavioral Health - MIS.....	36	100	30
(F)Child and Adolescent Services System.....	150	150	150
(F)July 1996 Storm Disaster - Mental Health.....	35	0	0
(F)June 1998 Storm Disaster.....	0	93	0
(A)Cafeteria Reimbursements.....	48	30	47
(A)Institutional Collections.....	15,036	13,010	12,740
(A)Miscellaneous Institutional Reimbursements.....	72	60	40
(A)Intergovernmental Transfer.....	8,000	8,000	8,000
Subtotal.....	\$ 847,846	\$ 865,099	\$ 857,387
State Centers for the Mentally Retarded.....	136,541	130,143^p	122,829
(F)Medical Assistance - State Centers.....	152,426	146,370	135,834
(F)Medicare Services - State Centers.....	921	960	712
(A)Institutional Collections-State Centers.....	13,530	12,031	10,676
(A)Institutional Reimbursements.....	120	24	0
Subtotal.....	\$ 303,538	\$ 289,528	\$ 270,051

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Subtotal - State Funds.....	\$ 770,828	\$ 792,172	\$ 793,134
Subtotal - Federal Funds.....	420,554	411,748	386,662
Subtotal - Augmentations.....	36,953	33,258	31,573
Total - Institutional.....	\$ 1,228,335	\$ 1,237,178	\$ 1,211,369
Grants and Subsidies:			
Cash Grants.....	\$ 323,388	\$ 250,769	\$ 211,394
(F)TANFBG - Cash Grants.....	437,000	417,743	399,699
(F)CCDFBG - Cash Grants.....	47,136	152,424	174,784
(F)Other Federal Support - Cash Grants.....	15,922	17,481	13,850
(F)LIHEABG - Low-Income Families and Individuals.....	60,040	73,453	70,276
(F)June 1998 Storm Disaster - Individual and Family Assistance.....	0	600	0
Subtotal.....	\$ 883,486	\$ 912,470	\$ 870,003
Supplemental Grants - Aged, Blind and Disabled.....	118,864	127,045^q	129,329
(A)Intergovernmental Transfer.....	26,810	26,985	26,985
Subtotal.....	\$ 145,674	\$ 154,030	\$ 156,314
Medical Assistance - Outpatient.....	662,740	701,584^r	512,097
(F)Medical Assistance - Outpatient.....	778,832	741,958 ^s	648,501
(F)Disease Control Immunization.....	393	0	0
(F)Immunization - Disease Control.....	0	1,000	0
(A)Intergovernmental Transfer.....	0	0	242
Subtotal.....	\$ 1,441,965	\$ 1,444,542	\$ 1,160,840
Medical Assistance - Inpatient.....	428,079	430,769^t	296,819
(F)Medical Assistance - Inpatient.....	551,821	517,073 ^u	375,898
Subtotal.....	\$ 979,900	\$ 947,842	\$ 672,717
Medical Assistance - Capitation.....	959,286	1,057,154^v	1,452,259
(F)Medical Assistance - Capitation.....	965,690	1,223,510 ^w	1,596,100
Subtotal.....	\$ 1,924,976	\$ 2,280,664	\$ 3,048,359
Long-Term Care.....	617,252	721,631^x	761,219
(F)Medical Assistance - Long-Term Care.....	1,462,513	1,723,033 ^y	1,628,480
(A)Intergovernmental Transfer.....	710,486	739,246	611,710
Subtotal.....	\$ 2,790,251	\$ 3,183,910	\$ 3,001,409
Medical Assistance - Transportation.....	18,931	19,010	19,018
(F)Medical Assistance - Transportation.....	16,545	16,614	16,785
Subtotal.....	\$ 35,476	\$ 35,624	\$ 35,803
Expanded Medical Services for Women.....	4,141	6,224	6,348
AIDS Special Pharmaceutical Services.....	9,146	10,885	12,643
(F)Ryan White.....	5,559	0	0
(F)AIDS - Ryan White.....	0	9,074	15,042
Subtotal.....	\$ 14,705	\$ 19,959	\$ 27,685
Behavioral Health Services.....	54,640	41,147	41,147
(A)Intergovernmental Transfer.....	12,107	17,000	12,107
Subtotal.....	\$ 66,747	\$ 58,147	\$ 53,254
Psychiatric Services in Eastern PA.....	3,650	7,150	3,500
Intermediate Care Facilities - Mentally Retarded.....	113,693	111,345	107,931
(F)Medical Assistance - ICF/MR.....	129,845	128,006	125,725
Subtotal.....	\$ 243,538	\$ 239,351	\$ 233,656
Community Mental Retardation Services.....	464,633	497,360	528,621
(F)Medical Assistance - Community MR Services.....	272,430	319,435 ^z	368,410
(F)SSBG - Community MR Services.....	14,781	13,984	13,984

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
(A)Robert Wood Johnson.....	90	10	0
Subtotal.....	\$ 751,934	\$ 830,789	\$ 911,015
Assistive Technology.....	700	770	770
Early Intervention.....	44,230	44,483	43,560
(F)SSBG - Early Intervention.....	2,320	2,195	2,195
(F)Medical Assistance - Early Intervention.....	7,463	17,001	11,386
(F)Education for Children with Disabilities.....	11,810	12,025	12,242
Subtotal.....	\$ 65,823	\$ 75,704	\$ 69,383
Pennhurst Dispersal.....	2,875	2,933	2,992
MR Residential Services - Lansdowne.....	371	378	386
County Child Welfare.....	398,740	403,619	491,245
Adoptions and Safe Families.....	0	6,060	0
(F)Child Welfare Services.....	17,447	17,780	13,115
(F)Child Welfare - Title IV-E.....	255,000	309,678 ^{aa}	349,237
(F)Medical Assistance - Child Welfare.....	2,000	2,533	2,904
(F)TANFBG - Child Welfare.....	120,000	131,100	131,100
(F)SSBG - Child Welfare.....	12,741	12,021	12,021
(F)Medically Fragile Child Support.....	105	0	0
(F)Community Based Family Resource and Support.....	0	1,200	1,200
Subtotal.....	\$ 806,033	\$ 883,991	\$ 1,000,822
Community Based Family Centers.....	2,061	3,061	3,122
(F)CCDBG - Family Centers.....	2,805	0	0
(F)CCDFBG - Family Centers.....	4,818	7,623	0
(F)Family Preservation - Family Centers.....	1,200	1,200	5,962
(F)Fatherhood Initiatives.....	0	0	300
Subtotal.....	\$ 10,884	\$ 11,884	\$ 9,384
Child Care Services.....	47,717	57,545	58,513
(F)CCDBG - Child Care.....	7,612	0	0
(F)CCDFBG - Child Care.....	58,524	76,725	80,211
(F)CCDFBG - School Age.....	1,260	1,871	1,871
(F)SSBG - Child Care.....	33,931	30,977	30,977
(F)Head Start Collaboration Project.....	300	300	300
Subtotal.....	\$ 149,344	\$ 167,418	\$ 171,872
Domestic Violence.....	9,758	10,769	11,449
(F)Family Violence Prevention Services.....	1,591	2,538 ^{bb}	2,900
(F)SSBG - Domestic Violence.....	1,321	1,205	1,205
(F)PHHSBG - Domestic Violence.....	150	150	150
(F)TANFBG - Domestic Violence.....	500	500	500
(F)DFSC - Special Programs for Domestic Violence.....	425	425	425
(A)Marriage Law Fees.....	733	733	733
Subtotal.....	\$ 14,478	\$ 16,320	\$ 17,362
Rape Crisis.....	4,166	4,583	5,425
(F)PHHSBG - Rape Crisis.....	1,721	2,226	2,306
(F)SSBG - Rape Crisis.....	694	634	634
(F)TANFBG - Rape Crisis.....	300	300	300
(F)DFSC - Special Programs for Rape Crisis.....	142	142	142
Subtotal.....	\$ 7,023	\$ 7,885	\$ 8,807
Breast Cancer Screening.....	884	902	920
(F)SSBG - Family Planning.....	4,212	3,845	3,845
Subtotal.....	\$ 5,096	\$ 4,747	\$ 4,765
Human Services Development Fund.....	34,680	35,374	35,374
(F)Refugees and Persons Seeking Asylum - Social Services.....	4,300	5,100	6,000



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Subtotal.....	\$ 38,980	\$ 40,474	\$ 41,374
Legal Services.....	2,000	2,450	2,499
(F)SSBG - Legal Services.....	5,531	5,049	5,049
Subtotal.....	\$ 7,531	\$ 7,499	\$ 7,548
Homeless Assistance.....	24,805	27,501	25,807
(F)SSBG - Homeless Services.....	2,391	2,183	2,183
(F)SABG - Homeless Services.....	1,983	0	0
(F)Homeless Services - SABG.....	0	1,983	1,983
Subtotal.....	\$ 29,179	\$ 31,667	\$ 29,973
Services to Developmentally Disabled.....	7,878	8,036	8,197
(F)SSBG - Developmentally Disabled.....	127	120	120
(F)Medical Assistance - Developmentally Disabled.....	5,260	5,781 ^{cc}	7,947
(A)Intergovernmental Transfer.....	0	0	1,424
Subtotal.....	\$ 13,265	\$ 13,937	\$ 17,688
Attendant Care.....	17,224	20,525	22,837
(F)SSBG - Attendant Care.....	7,368	6,971	6,971
(F)Medical Assistance - Attendant Care.....	12,722	14,100	15,556
(A)Attendant Care Parking Fines.....	0	40	40
(A)Intergovernmental Transfer.....	2,018	7,013	7,013
Subtotal.....	\$ 39,332	\$ 48,649	\$ 52,417
Acute Care Hospitals.....	1,700	4,750	0
Citizenship Services.....	0	450	300
Arsenal Family and Children's Center.....	160	160	160
Beacon Lodge Camp - Blind Services.....	124	124	124
Subtotal - State Funds.....	\$ 4,378,516	\$ 4,616,546	\$ 4,796,005
Subtotal - Federal Funds.....	5,348,581	6,032,869	6,160,771
Subtotal - Augmentations.....	752,244	791,027	660,254
Total - Grants and Subsidies.....	\$ 10,479,341	\$ 11,440,442	\$ 11,617,030
STATE FUNDS.....	\$ 5,553,131	\$ 5,853,529	\$ 6,055,670
FEDERAL FUNDS.....	6,167,788	6,984,750	7,120,489
AUGMENTATIONS.....	798,022	841,631	701,456
GENERAL FUND TOTAL.....	\$ 12,518,941	\$ 13,679,910	\$ 13,877,615
OTHER FUNDS:			
GENERAL FUND:			
Annie E. Casey.....	\$ 226	\$ 781	\$ 784
CHILDREN'S TRUST FUND:			
Children's Trust Fund.....	\$ 387	\$ 1,800	\$ 1,850
ENERGY CONSERVATION AND ASSISTANCE FUND:			
Low Income Energy Assistance.....	\$ 4,000	\$ 1,700	\$ 1,600
EMERGENCY MEDICAL SERVICES OPERATING FUND:			
Head Injury Support.....	\$ 0	\$ 0	\$ 449

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 5,553,131	\$ 5,853,529	\$ 6,055,670
SPECIAL FUNDS.....	0	0	0
FEDERAL FUNDS.....	6,167,788	6,984,750	7,120,489
AUGMENTATIONS.....	798,022	841,631	701,456
OTHER FUNDS.....	4,613	4,281	4,683
TOTAL ALL FUNDS.....	\$ 12,523,554	\$ 13,684,191	\$ 13,882,298

- ^a Actually appropriated as \$36,907,000. Excludes \$76,000 transferred to the Department of Labor and Industry.
- ^b Actually appropriated as \$37,982,000. Excludes \$109,000 transferred to the Department of Labor and Industry.
- ^c Includes \$49,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^d Actually appropriated as \$26,562,000. Excludes \$5,000 transferred to the Department of Labor and Industry.
- ^e Actually appropriated as \$37,982,000. Excludes \$17,000 transferred to the Department of Labor and Industry.
- ^f Includes \$14,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^g Includes \$31,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^h Includes recommended supplemental appropriations of \$406,000.
- ⁱ Includes \$333,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^j Includes \$4,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^k Includes recommended supplemental appropriations of \$50,000.
- ^l Includes \$19,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^m Includes \$85,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ⁿ Includes \$430,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^o Includes recommended supplemental appropriations of \$3,523,000.
- ^p Includes \$171,000 from distribution of SERS Annuitant Cost of Living Increase appropriations.
- ^q Includes recommended supplemental appropriations of \$2,164,000.
- ^r Includes recommended supplemental appropriations of \$111,306,000.
- ^s Includes recommended supplemental appropriations of \$54,277,000.
- ^t Includes recommended supplemental appropriations of \$56,397,000.
- ^u Includes recommended supplemental appropriations of \$54,434,000.
- ^v Reflects recommended appropriation reduction of \$66,990,000.
- ^w Actually appropriated as \$1,275,820,000. Amount shown is the best current estimate of the amount available for 1998-99. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^x Reflects recommended appropriation reduction of \$16,709,000.
- ^y Actually appropriated as \$1,765,776,000. Amount shown is the best current estimate of the amount available for 1998-99. Additional funds may be received, therefore no reduction to the appropriation authority is recommended.
- ^z Includes recommended supplemental appropriations of \$2,756,000.
- ^{aa} Includes recommended supplemental appropriations of \$19,121,000.
- ^{bb} Includes recommended supplemental appropriations of \$400,000.
- ^{cc} Includes recommended supplemental appropriations of \$794,000.



Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
HUMAN SERVICES SUPPORT							
GENERAL FUND.....	\$ 63,388	\$ 64,981	\$ 67,118	\$ 69,050	\$ 70,416	\$ 71,808	\$ 73,229
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	72,083	78,570	79,688	79,886	79,887	79,886	79,886
OTHER FUNDS.....	3,248	3,817	3,961	4,025	4,090	4,156	4,224
SUBCATEGORY TOTAL.....	\$ 138,719	\$ 147,368	\$ 150,767	\$ 152,961	\$ 154,393	\$ 155,850	\$ 157,339
MEDICAL ASSISTANCE							
GENERAL FUND.....	\$ 2,701,275	\$ 2,952,007	\$ 3,060,403	\$ 3,358,785	\$ 3,663,263	\$ 3,970,208	\$ 4,350,591
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	3,781,353	4,232,262	4,280,806	4,518,780	4,855,110	5,200,445	5,486,039
OTHER FUNDS.....	722,593	756,246	624,059	631,985	632,590	633,166	633,766
SUBCATEGORY TOTAL.....	\$ 7,205,221	\$ 7,940,515	\$ 7,965,268	\$ 8,509,550	\$ 9,150,963	\$ 9,803,819	\$ 10,470,396
INCOME MAINTENANCE							
GENERAL FUND.....	\$ 782,651	\$ 758,094	\$ 740,436	\$ 746,850	\$ 755,737	\$ 764,491	\$ 773,296
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	886,668	1,123,264	1,151,977	1,030,023	1,036,347	1,039,317	1,039,317
OTHER FUNDS.....	36,613	42,995	35,486	34,015	33,698	33,832	33,970
SUBCATEGORY TOTAL.....	\$ 1,705,932	\$ 1,924,353	\$ 1,927,899	\$ 1,810,888	\$ 1,825,782	\$ 1,837,640	\$ 1,846,583
MENTAL HEALTH							
GENERAL FUND.....	\$ 617,223	\$ 631,589	\$ 634,286	\$ 642,506	\$ 650,890	\$ 659,442	\$ 668,166
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	265,757	260,707	246,921	246,921	246,921	246,921	246,921
OTHER FUNDS.....	23,156	21,100	20,827	20,828	20,829	20,830	20,831
SUBCATEGORY TOTAL.....	\$ 906,136	\$ 913,396	\$ 902,034	\$ 910,255	\$ 918,640	\$ 927,193	\$ 935,918
MENTAL RETARDATION							
GENERAL FUND.....	\$ 763,043	\$ 787,412	\$ 807,089	\$ 813,358	\$ 815,702	\$ 818,091	\$ 820,526
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	591,996	639,976	670,488	688,865	688,684	688,497	688,305
OTHER FUNDS.....	13,740	12,065	10,676	10,199	10,189	10,179	10,169
SUBCATEGORY TOTAL.....	\$ 1,368,779	\$ 1,439,453	\$ 1,488,253	\$ 1,512,422	\$ 1,514,575	\$ 1,516,767	\$ 1,519,000
HUMAN SERVICES							
GENERAL FUND.....	\$ 625,551	\$ 659,446	\$ 746,338	\$ 797,715	\$ 852,926	\$ 912,262	\$ 976,033
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	569,931	649,971	690,609	725,548	754,258	785,160	818,423
OTHER FUNDS.....	3,285	9,689	11,130	14,512	14,963	14,964	14,965
SUBCATEGORY TOTAL.....	\$ 1,198,767	\$ 1,319,106	\$ 1,448,077	\$ 1,537,775	\$ 1,622,147	\$ 1,712,386	\$ 1,809,421



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
ALL PROGRAMS:							
GENERAL FUND.....	\$ 5,553,131	\$ 5,853,529	\$ 6,055,670	\$ 6,428,264	\$ 6,808,934	\$ 7,196,302	\$ 7,661,841
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,167,788	6,984,750	7,120,489	7,290,023	7,661,207	8,040,226	8,358,891
OTHER FUNDS.....	802,635	845,912	706,139	715,564	716,359	717,127	717,925
DEPARTMENT TOTAL.....	\$ 12,523,554	\$ 13,684,191	\$ 13,882,298	\$ 14,433,851	\$ 15,186,500	\$ 15,953,655	\$ 16,738,657



PROGRAM OBJECTIVE: To provide effective administrative and support systems through which the substantive programs of the department can be operated.

Program: Human Services Support

The Human Services Support program provides the policy direction, management and administrative systems required to implement, maintain and monitor the substantive programs of the department.

A key function is the development and operation of information technology systems that assure accurate and timely payments to clients and compile data into usable management reports.

Additionally, this program ensures the quality of services for Pennsylvania residents by licensing and regulating child care and selected medical facilities, and provides direction for health programs for Pennsylvania residents who are unable to purchase adequate health care services.

A primary concern is to minimize administrative costs in relation to service costs.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>General Government Operations</p> <p>\$ 891 —to continue current program.</p> <p>552 —Initiative — Strengthening Oversight of Mental Retardation Services. To enhance the oversight of community mental retardation services, including the compliance with health, safety and quality requirements.</p> <p>474 —Initiative — Medical Assistance Management Initiatives. To establish a specialized Medical Assistance Hearings and Appeals Unit and provide for regional adjudication.</p> <p>100 —Initiative — Human Services Licensing Improvements. To provide for streamlining and consolidating licensing regulations and developing an automated management information system.</p> <p>96 —Initiative — Enhanced Child Welfare Oversight. To provide guidance and assistance to counties in implementing adoption and child protective services reform.</p> <p>61 —PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides administrative support for home and community-based services for 114 persons with disabilities, including traumatic brain injury and autism. See the Program Revision following the Human Services Program for additional information.</p>	<p>\$ 333</p> <p>—385</p> <p>923</p> <p>—908</p> <hr style="width: 50%; margin-left: 0;"/> <p>\$ —37</p>	<p>Information Systems</p> <p>—to continue current program.</p> <p>—nonrecurring projects.</p> <p>—to reflect an increase in contracted services and maintenance.</p> <p>—reflects a reduction in Master Lease payments.</p> <p><i>Appropriation Decrease</i></p>
<p>\$ 2,174 <i>Appropriation Increase</i></p>		<p>Includes a cross-agency project to streamline and consolidate licensing regulations, develop a management information system that will allow targeted licensing inspections and begin a training program for State licensing staff.</p>



Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 36,831	\$ 37,922	\$ 40,096	\$ 41,488	\$ 42,303	\$ 43,133	\$ 43,980
Information Systems	26,557	27,059	27,022	27,562	28,113	28,675	29,249
TOTAL GENERAL FUND	\$ 63,388	\$ 64,981	\$ 67,118	\$ 69,050	\$ 70,416	\$ 71,808	\$ 73,229



PROGRAM OBJECTIVE: To support a health care delivery system that provides comprehensive health care services in appropriate settings for the eligible populations.

Program: Medical Assistance

The Medical Assistance Program insures access to comprehensive health care services for low-income individuals and families or those with medical expenses exceeding available income. Qualified individuals may receive a complete package of benefits such as cash assistance under the Temporary Assistance To Needy Families (TANF) Block Grant, Supplemental Security Income or General Assistance programs. Medically needy persons are individuals who do not receive cash assistance grants but spend a significant portion of their income for medical expenses. General Assistance-Medically Needy Only benefits restrict participation to families with children who do not otherwise qualify for cash benefits, individuals over the age of 59 and individuals that work at least 100 hours per month. A verifiable medical condition, which precludes work, will also allow participation.

dental care, medical supplies and equipment and prosthetic devices. Additional service restrictions, comparable to private insurance, apply to adult general assistance recipients. An exception process is available for unusual circumstances.

In the outpatient component of the Medical Assistance Program, providers of service are primarily reimbursed on a fee-for-service basis according to the Medical Assistance Fee Schedule.

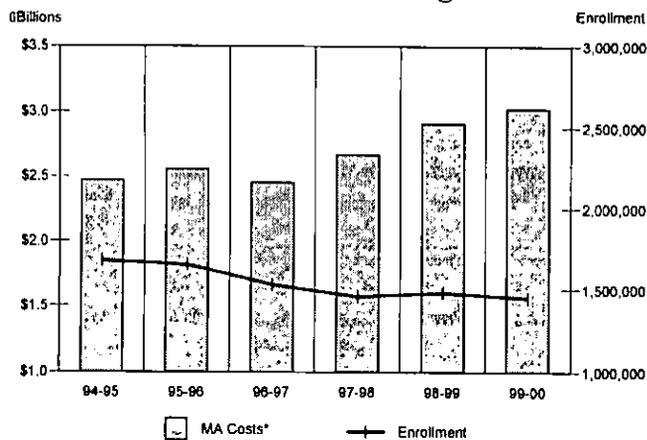
Program Element: Inpatient Services

Inpatient hospital services include care for Medical Assistance patients in acute care, rehabilitation and private psychiatric hospitals.

The Inpatient Medical Assistance Program provides eligible recipients coverage on a 24-hour basis for room, board and professional services. A recipient is only eligible for admission under Medical Assistance upon the recommendation of a physician, dentist or podiatrist. Hospital care solely for cosmetic procedures, as well as diagnostic or therapeutic procedures solely for experimental, research or educational purposes, is not covered by Medical Assistance. Individuals eligible for Medically Needy Only benefits pay an annual deductible of \$150.

The department uses a Prospective Payment System (PPS) to reimburse general hospitals. Acute care general hospitals are paid a predetermined amount per discharge based on the patient's diagnosis, the procedures performed and the patient's age, sex and discharge status. The Diagnosis Related Groups (DRG) system is used to classify the various diagnoses based on the amount of resources hospitals customarily use for treatment. The department's payment for compensable inpatient hospital services under the DRG payment system is the product of the hospital specific average cost per case multiplied by the relative value of the DRG assigned to the admission. The DRG system also accounts for certain cases that cannot fall into the predetermined reimbursement schedule. These "outlier" costs are reimbursed on an exceptional cost basis in the prospective payment to the hospital. When professional care is provided to a Medical Assistance recipient, the department separately reimburses the physician, dentist, podiatrist or midwife who provided direct care services to the recipient and is under salary or contract with the hospital. These services are reimbursed in accordance with the fees established under the Medical Assistance Fee Schedule through the Medical Assistance Outpatient appropriation.

Medical Assistance Program



* General Funds for Outpatient, Inpatient Capitation and Long-Term Care.

Program Element: Outpatient Services

Outpatient services include the majority of preventive services available to a person who does not need extended acute care in a health care facility. Outpatient services include medical or dental care in a clinic or office setting, outpatient surgery, rehabilitation, drug and alcohol treatment, pharmaceutical products, ambulance transportation, home health care, medical supplies and equipment and prosthetic devices.

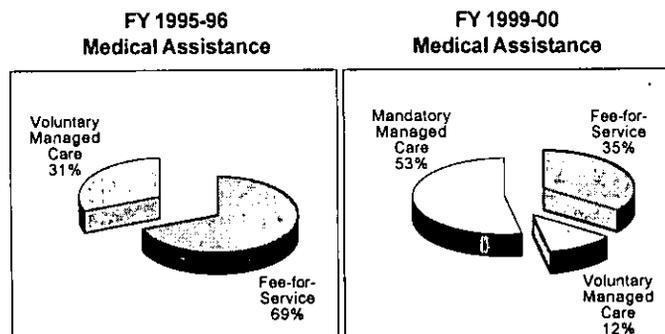
Persons qualifying for comprehensive benefits are eligible for the complete array of services provided under the Outpatient Program, while medically needy persons are eligible for all services except pharmaceutical products,

Program: Medical Assistance (continued)

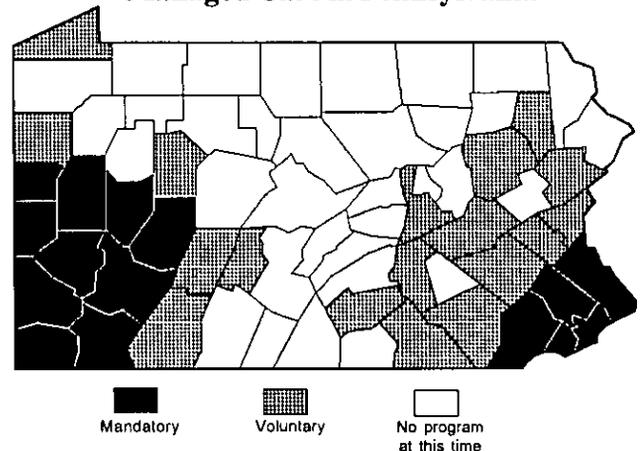
Psychiatric services, both in special wings of acute care hospitals and private psychiatric facilities, are paid through a prospective payment system.

Rehabilitation hospitals are excluded from the prospective payment system. The methods of treatment and associated lengths of stay for services in these settings have a wide range of variation based on the prescribed treatment, program and the patient's response to treatment. Accordingly, a DRG system cannot be used for reimbursing this type of facility and payment continues to be made on retrospective cost subject to limitations.

certain clients in the Healthy Horizons Program. The department began expanding mandatory participation in managed care to ten counties in the Southwestern region in January 1999. Full implementation will be achieved in July 1999. The department is contracting with three HMOs to provide physical health care. Behavioral health care will be provided through contracts with the participating counties who may cooperate with an independent Managed Care Organization.



Managed Care in Pennsylvania



Program Element: Capitation

Alternative health care delivery systems for Medical Assistance recipients are available through Managed Care Organizations (MCOs). Generally referred to as Health Maintenance Organizations (HMOs), these mechanisms provide services utilizing a fixed rate per recipient enrolled. MCOs emphasize outpatient preventive health services 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.

The department has expanded mandatory Medical Assistance participation in managed care to most eligible clients in five counties in Southeastern Pennsylvania. Physical health care is provided through contracts with four Health Maintenance Organizations (HMOs) while behavioral health is provided through contracts with the participating counties who may cooperate with an independent MCO. An independent enrollment assistant assists recipients in choosing the HMO and the behavioral health network provider that best meets their needs. The only clients that remain in the fee-for-service program in these areas are new Medically Needy Only clients who require limited inpatient care for an acute condition and

Participation in managed care will remain voluntary for clients in the remainder of the State. The department currently contracts with seven HMOs to provide services to recipients in the voluntary program.

HMOs have an incentive to effectively manage the primary care provided to enrolled recipients. If the recipient utilizes more health care than anticipated in the predetermined rate, expenditures increase and the HMO loses money. If service costs are controlled, the provider can make a profit.

Program Element: Long-Term Care

Long-term care is a continuum of services ranging from independent living at home with the support of community services to institutional care. The Department of Aging's Pre-Admission Assessment Program acts as a "gatekeeper" to manage access to this continuum.

Institutional services are provided to eligible persons by nursing facilities certified, in accordance with established standards, to participate in the Medical Assistance Program. 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: Medical Assistance (continued)

Nursing facilities are paid for services through a case mix prospective payment system which recognizes net operating and capital costs and is based on the resources required to meet individual care requirements. Residents at each facility are classified based on Resource Utilization Groups, Version III (RUG-III), which reflect both clinical variables and rehabilitation needs. The classifications are then ranked according to the resources utilized to provide care and a case mix factor is developed for each facility that reflects average resource requirements. Nursing facilities are placed into peer groups reflecting facility bed size and Metropolitan Statistical Areas. In each peer group, a median price is developed for the individual cost components. The net operating portion of the per diem rates is broken into resident care, other resident services and administrative cost components. The resident care cost component is adjusted to reflect the individual facility's case mix. Capital costs not related to resident care are added to the net operating rate. Facility capital costs reflect the fair market rental rate based on appraisals of each facility.

Older Pennsylvanians who are in need of nursing home care can receive services in the community through the Federal Medicaid Home and Community-Based Waiver Program. Currently there are 3,589 slots available Statewide. The program provides assistance with activities of daily living as well as nursing services while incorporating the informal supports available through family and friends.

Program Element: Medical Assistance Transportation Program

The Medical Assistance Transportation Program provides funding to county governments for Medical Assistance

recipients who need assistance traveling to and from a health care service provider or a health care facility.

County governments can provide this service directly, contract with an independent transportation agency or pay agencies which provide transportation as part of a whole human services system.

Sixty-six counties have elected to provide transportation directly. The department selected a provider from a competitive bidding process for the remaining county.

Program Element: Special Pharmaceutical Benefits Program

The Special Pharmaceutical Benefits Program (SPBP) pays for a limited number of drugs for low and moderate income persons with HIV disease/AIDS and for limited mental health drug therapy for persons residing in the community who suffer from schizophrenia. People with a gross annual income of less than \$30,000 for an individual or \$30,000 plus \$2,480 for each additional family member benefit from this program.

Program Element: Expanded Medical Services for Women

The Expanded Medical Services for Women Program provides a range of medical and counseling services to women. Services include counseling, pregnancy tests, pap smears, contraceptives, family planning, prenatal care referrals, adoption referrals, sexually-transmitted disease tests and laboratory services, and services providing alternatives to abortion. Follow-up of positive test results is done to insure that women are notified of needed medical treatment. Services are usually provided in conjunction with breast cancer screening.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Persons participating in Medical Assistance (monthly average)	1,457,151	1,427,180	1,452,160	1,474,241	1,489,587	1,505,699	1,522,737
Outpatient							
Outpatient services/visits:							
Physicians	8,857,794	7,890,228	6,348,548	6,065,456	6,163,963	6,334,641	6,527,265
Dentists	1,109,171	988,013	795,134	759,733	772,068	793,440	817,561
Total clinic	4,338,498	3,864,590	3,110,149	2,971,678	3,019,927	3,103,524	3,197,870
Home health	1,045,464	912,939	749,464	716,096	727,723	747,868	770,603
Prescriptions filled	15,373,837	13,694,502	10,914,790	10,317,820	10,488,793	10,785,026	11,116,349

Home health services decreased from last year's budget due to the way Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services for children are counted.

Prescriptions filled increased from last year's budget based on physician prescribing patterns.

Program: Medical Assistance (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Inpatient							
Recipients served:							
General hospitals	128,077	114,087	91,815	87,727	89,151	91,619	94,404
Rehabilitation hospitals	5,368	4,782	3,848	3,677	3,737	3,840	3,957
Private psychiatric hospitals.....	25,310	22,545	18,144	17,336	17,618	18,105	18,656
Average admissions per recipient:							
General hospitals	1.28	1.28	1.28	1.28	1.28	1.28	1.28
Rehabilitation hospitals	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Private psychiatric hospitals.....	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Average cost per case/admission:							
General hospitals	\$3,205	\$3,253	\$3,302	\$3,352	\$3,402	\$3,453	\$3,505
Rehabilitation hospitals	\$6,796	\$6,898	\$7,001	\$7,106	\$7,213	\$7,321	\$7,431
Private psychiatric hospitals.....	\$4,628	\$4,697	\$4,767	\$4,839	\$4,912	\$4,986	\$5,061
Capitation							
Medical Assistance recipients served: (monthly average)							
Fee-for-service delivery	734,262	521,640	526,372	502,937	511,103	525,251	541,218
Capitation programs	722,889	905,540	925,787	971,304	978,484	980,448	981,519
Average voluntary enrollment	235,611	222,826	166,056	211,678	218,858	220,822	221,893
Average HealthChoices Southeast enrollment	487,278	484,090	475,080	469,143	469,143	469,143	469,143
Average HealthChoices Southwest enrollment	0	198,624	284,651	290,483	290,483	290,483	290,483
Percent of total eligibles enrolled	49.61%	63.45%	63.75%	65.89%	65.69%	65.12%	64.46%
Transportation Program							
One-way trips (in thousands)	4,502	4,502	4,375	4,375	4,375	4,375	4,375
Long-Term Care							
Recipients receiving institutional long-term care (monthly average)							
Recipients receiving home and community based services (monthly average)*	76,312	76,751	77,567	78,283	79,006	79,736	80,473
	1,746	2,746	4,050	5,694	6,100	6,100	6,100

The general, rehabilitation and psychiatric hospital services increased from last year's budget due to unanticipated fee-for-service costs prior to mandatory managed care enrollment.

The average cost per service for private psychiatric hospitals decreased from last year's budget due to behavioral health managed care.

Fee-for-service delivery has been revised due to the estimated impact of mandatory managed care in the HealthChoices Southwest Program beginning in January 1999.

The Capitation voluntary enrollment increased from last year's budget due to further penetration in the Northwest and Central regions of the State and reflects increased enrollment in the Southwest counties in anticipation of the HealthChoices expansion.

The HealthChoices Southwest enrollment reflects increased voluntary enrollment prior to implementation of mandatory enrollment.

*New program measure added this year.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	-67,563	Medical Assistance — Outpatient	2,469	—to reflect increases in clients eligible for Medicare Part B premiums.
	-2,030	—to reflect caseload decrease.	-449	—to reflect a decrease in operating costs.
	21,017	—to reflect other price changes.	-21,422	—to reflect the impact of one-time Federal funds.
	-112,590	—to provide an average drug cost increase of 10.5 percent.	-55,477	—to reflect restoration of a discount from the Average Wholesale Price (AWP) in the pharmacy payment formula.
	2,961	—to reflect mandatory managed care in Southwestern Pennsylvania.	-2,535	—to reflect program adjustments including a savings from insurance buy-in for clients enrolling in mandatory managed care.
	-1,663	—to reflect the impact of outreach activities for the Children's Health Insurance Program.		
		—revision of Federal financial participation from 53.68% to 53.81%.		

Program: Medical Assistance (continued)

Program Recommendations: (continued)		This budget recommends the following changes: (Dollar Amounts in Thousands)	
	Medical Assistance — Outpatient (continued)	10,712	—to replace nonrecurring revenue and carryover of prior year funds.
\$ 27,000	—to provide for new pharmaceutical products approved by the Food and Drug Administration.	-3,129	—to reflect other miscellaneous nonrecurring program costs.
-7,363	—Initiative — Medical Assistance Management Initiatives. To detect and deter fraud through prior authorization and utilization review for behavioral health services and review of fraudulent or forged pharmacy claims.	-3,608	—revision of Federal financial participation rate from 53.68% to 53.81%.
		2,290	—impact of various fee increases included in the 1998-99 Medical Assistance Fee Enhancement Initiative.
28,158	—Initiative — Medical Assistance Fee Enhancements. To increase selected Medical Assistance behavioral health fees, including outpatient psychiatric services, outpatient psychiatric partial hospitalization services, and drug and alcohol treatment services.	6,857	—to reflect the impact of outreach activities for the Children's Health Insurance Program.
		<u>\$ 395,105</u>	<i>Appropriation Increase</i>
			Long Term Care
		\$ 9,095	—to provide for increased caseload and utilization.
\$ -189,487	<i>Appropriation Decrease</i>	51,777	—to provide for an average daily cost increase of 5.10%.
	Medical Assistance — Inpatient	-584	—nonrecurring costs.
\$ -60,782	—to reflect caseload decrease.	-3,095	—revision of Federal financial participation rate from 53.68% to 53.81%.
6,429	—to provide for anticipated hospital rate increases.	-1,333	—nonrecurring costs for conversion to the Federally required data form to establish the Case Mix Index.
14,108	—to replace Federal funds for General Assistance client hospital services.	-927	—nonrecurring Hurly vs. Houston retroactive settlement payments.
726	—for increased premiums and enrollment in Medicare Part A.	-5,628	—nonrecurring final cost settlements.
-68,498	—to annualize mandatory managed care in Southwestern Pennsylvania.	-15,140	—nonrecurring prior year obligation.
-27,204	—nonrecurring community access funding.	6,673	—to replace nonrecurring Intergovernmental Transfer support.
1,693	—to reflect the impact of outreach activities for the Children's Health Insurance Program.	-1,250	—Initiative — Medical Assistance Management Initiatives. To detect and deter fraud through review of the data used to establish the Case Mix Index to ensure the appropriate acuity level has been assessed and documented.
495	—to provide for miscellaneous administrative and cash flow adjustments.		
-917	—revision of Federal financial participation from 53.68% to 53.81%.		
<u>\$ -133,950</u>	<i>Appropriation Decrease</i>	<u>\$ 39,588</u>	<i>Appropriation Increase</i>
	Medical Assistance — Capitation		Medical Assistance — Transportation
\$ 57,342	—to provide for increased rates in both physical and behavioral health offset by decreased enrollment for the HealthChoices Southeast Program.	\$ -559	—to reflect the impact of caseload decreases.
		198	—for an increase in the Philadelphia transportation program.
-22,186	—to reflect a decrease in voluntary enrollment due to the implementation of HealthChoices Southwest and an increase in HMO rates for the voluntary program.	369	—to provide a two percent cost-of-living adjustment.
		<u>\$ 8</u>	<i>Appropriation Increase</i>
296,445	—to reflect annualization of the HealthChoices Southwest Program including an increase in HMO rates.		Expanded Medical Services for Women
26,957	—to provide for an increase in maternity care rates and annualization of care in the Southwest.	\$ 124	—to provide a two percent cost-of-living adjustment.
13,845	—to annualize the implementation of an HIV/AIDS Risk Pool and out-of-plan care for the HealthChoices Program.		
9,580	—for special population payment adjustments in the HealthChoices Southeast Program.		

Program: Medical Assistance (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

	AIDS Special Pharmaceutical Services	
5,323	—to reflect enrollment increases of eight percent and drug cost increases of ten percent.	
1,163	—to annualize new drug products added to the formulary.	
-260	—to reflect transfer of viral load testing cost to the Department of Health.	
\$ -5,968	—to reflect increased Federal Ryan White funding.	
1,500	—Initiative — Special Pharmaceutical Benefits Program Enhancements. To provide an allowance for new drug products that may be approved by the Federal Food and Drug Administration.	
<u>\$ 1,758</u>	<i>Appropriation Increase</i>	

\$ -4,750 **Acute Care Hospitals**
—nonrecurring project.

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program provides: \$283,000 in Federal funds and \$242,000 in Long-Term Care Intergovernmental Transfer funds to provide home and community-based services for ten ventilator dependent individuals; and, \$575,000 in Federal funds and \$494,000 in Long-Term Care Intergovernmental Transfer funds to provide home and community-based services for an additional 3,000 older Pennsylvanians as an alternative to nursing home care.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Medical Assistance — Outpatient	\$ 662,740	\$ 701,584	\$ 512,097	\$ 534,557	\$ 575,437	\$ 614,736	\$ 661,230
Medical Assistance — Inpatient	428,079	430,769	296,819	281,109	283,546	289,690	297,974
Medical Assistance — Capitation	959,286	1,057,154	1,452,259	1,644,460	1,800,927	1,965,122	2,183,627
Long-Term Care	617,252	721,631	761,219	860,380	964,897	1,062,009	1,168,895
Medical Assistance — Transportation	18,931	19,010	19,018	19,018	19,018	19,018	19,018
Expanded Medical Services for Women	4,141	6,224	6,348	6,348	6,348	6,348	6,348
AIDS Special Pharmaceutical Services	9,146	10,885	12,643	12,913	13,090	13,285	13,499
Acute Care Hospitals	1,700	4,750	0	0	0	0	0
TOTAL GENERAL FUND	<u>\$ 2,701,275</u>	<u>\$ 2,952,007</u>	<u>\$ 3,060,403</u>	<u>\$ 3,358,785</u>	<u>\$ 3,663,263</u>	<u>\$ 3,970,208</u>	<u>\$ 4,350,591</u>



Program Objective: To promote personal and parental responsibility and encourage economic independence and self-sufficiency through temporary cash assistance, job training and child care for families or individuals.

Program: Income Maintenance

The broad purpose of public assistance is to provide temporary support to families in transition from dependency to economic self-sufficiency. Support may include limited education, job training and placement assistance, child care, transportation and other support services and cash.

Program Element: Income Assistance

Historically, the focus of public assistance has been the provision of a cash grant. Cash assistance was provided to people who met income and resource guidelines under Federal and State programs and was available without time limits or work activity requirements. Both State and Federal welfare reform have changed the focus of cash support from an individual entitlement to time limited support with specific responsibilities that must be met by clients to receive and maintain cash grants.

The cornerstone of the new program is an Agreement of Mutual Responsibility (AMR) established between the client and the Commonwealth. Caseworkers in the County Assistance Offices (CAO) meet with applicants for cash assistance, medical assistance and food stamps to review financial and nonfinancial criteria to determine eligibility for benefits. As a condition of eligibility for cash assistance, recipients are required to sign and comply with the obligations in the AMR. The AMR outlines the personal and parental obligations that the individual must fulfill to maintain eligibility for benefits. Most adult welfare recipients are required to immediately look for work upon applying for welfare benefits and, within two years, work or participate in a work-related activity for at least twenty hours per week. Federal welfare reform has placed a five-year lifetime limit on cash assistance benefits for most adult recipients.

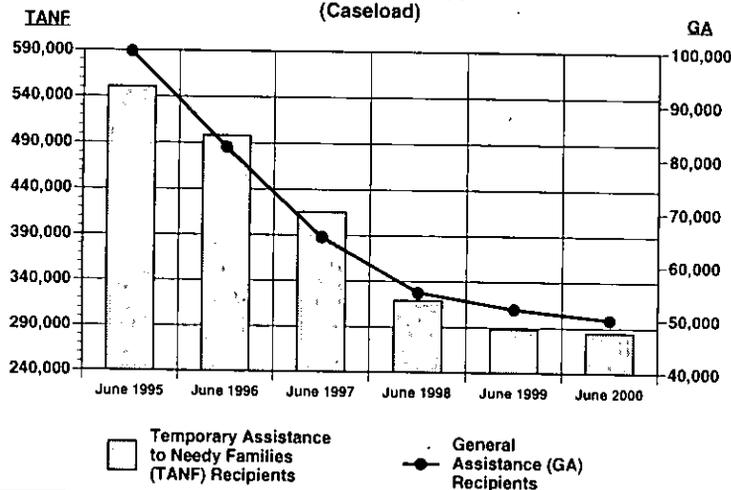
Upon application or redetermination for cash, data is entered into the department's client information system and is available for Medical Assistance program determinations as well as cash assistance and food stamps. All final Medical Assistance claims payments and most Cash Grants payments are generated through the central office using automated systems.

Cash assistance is provided to persons determined by the staff in CAOs to be eligible for the Temporary Assistance for Needy Families (TANF), the State General Assistance (GA) and the State Blind Pension (SBP) programs. The TANF block grant provides Federal funds for temporary cash support for families in transition to self-sufficiency. TANF payments are funded by Federal and State dollars. GA and SBP, on the other hand, are entirely State funded programs. Most GA recipients are individuals or married couples with no dependent children but with disabilities that prevent employment. Recipients of a State Blind Pension are persons who meet age, vision and personal resource requirements specified in the Public Welfare Code.

The Low Income Home Energy Assistance Program (LIHEAP) assists eligible households by offsetting the burden of high energy costs and intervening in energy crisis situations. The eligibility standard of 110 percent of the Federal poverty level includes every household member's income. Cash payments are made to energy suppliers for persons responsible for paying heating costs or directly to those households where home heating is included in the rent. Crisis payments may cover heating costs as well as emergency repairs to heating systems.

The Supplemental Security Income (SSI) Program provides aged, blind and disabled persons with a monthly

Cash Grants (Caseload)



Program: Income Maintenance (continued)

payment based on nationally uniform eligibility standards. Presently, the basic monthly rate for individuals is \$494.00 and \$741.00 for couples. Pennsylvania will contribute a supplemental grant of \$27.40 for an individual and \$43.70 for couples to SSI recipients through the Federal Government. 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 \$60.00 a month. The department administers a Disability Advocacy Program (DAP) to assist mentally and physically disabled individuals in establishing their eligibility for Federal SSI benefits.

Program Element: Employment, Training and Work Supports

The employment and training program known as the Road to Economic Self-Sufficiency through Employment and Training (RESET) assists welfare recipients to enter the workforce and achieve economic independence. Pennsylvania's employment and training for welfare clients emphasizes work first. Training and education programs are designed to train individuals unable to secure employment to get and keep available jobs. Job retention and case management services are also offered to help individuals retain employment. In order to meet the employment needs of Pennsylvania's diverse welfare population, various strategies such as rapid attachment, grant diversion and education activities are being implemented. The department will continue the Single Point of Contact Program (SPOC) and the Community Solutions Program and has initiated other education and training programs in conjunction with the Departments of Community and Economic Development and Labor and Industry.

Program Element: Child Care and Supportive Services

Child care and supportive services are provided to facilitate a welfare client's transition to independence. In addition to the cash grant paid to welfare clients, child care is provided to those participating in training or a work activity or who have obtained employment. Child care can continue after the employed client no longer requires TANF assistance as long as the family needs child care and remains income eligible. In addition to child care, the grant can provide other supportive services, such as transportation.

Program Element: Child Support Enforcement (Formerly Program Accountability)

Child Support Enforcement Program services are provided at the local level through Cooperative Agreements between the Department of Public Welfare and Domestic Relations Section of the County Courts of Common Pleas. The services include the establishment of paternity for children born out of marriage, the determination, establishment and collection of a financial child support obligation paid by a noncustodial parent to meet the ongoing daily needs of the children, the procurement of medical support including health insurance and/or the reimbursement of uninsured medical expenses for the children, and child care support designed to help offset the cost of child care if the custodial parent works or is enrolled in an education/training program to secure employment.

Child support enforcement services are available to children from birth to the age of 18 or until the child graduates from high school or is emancipated. The courts may require child support to be paid for an individual over the age of 18 if extraordinary needs — excluding college tuition — exist. A designated portion of child support paid on behalf of children receiving TANF benefits is passed through to the custodial parent and any residual amount is assigned to the Department of Public Welfare to reimburse cash assistance benefits issued to the child's family.

Working Families	
State Funds*	\$ 57,352
Federal Funds	113,379
Total	\$ 170,731
Welfare Recipients	
State Funds**	\$ 27,586
Federal Funds	177,060
Total	\$ 204,646
Grand Total	\$ 375,377
* Child Care Services appropriation.	
** Cash Grants appropriation.	

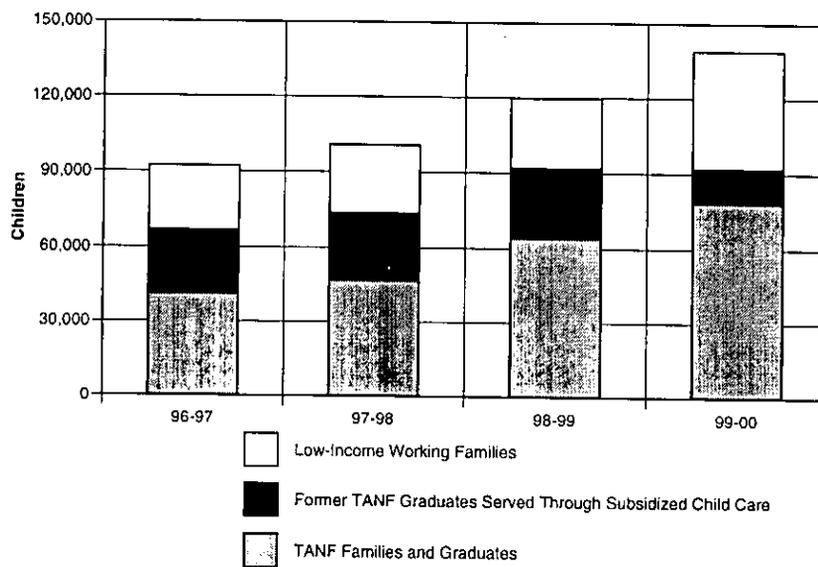


Program: Income Maintenance (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Persons receiving cash assistance, monthly average	417,976	346,899	331,550	331,550	331,550	331,550	331,550
Children of welfare recipients receiving child care	46,640	64,120	78,405	79,200	85,100	86,200	86,200
Persons receiving State Supplemental Grants, monthly average	276,341	283,581	284,767	284,770	284,770	284,770	284,770
Households receiving energy cash payments	297,164	297,383	287,897	287,900	287,900	287,900	287,900

Persons receiving cash assistance is less than shown in last year's budget due to persons successfully moving from welfare to work.

Child Care Capacity Growth



Revision of child care system will result in an increase of 16,145 children of low-income working families receiving service in 1999-2000.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ 2,767 —increase in finger imaging program.</p> <p>448 —increase in HealthChoices.</p> <p>-1,780 —nonrecurring operating and fixed asset costs.</p> <p>545 —to continue current program.</p> <p>-814 —nonrecurring implementation of the electronic benefits transfer system.</p> <p>1,026 —Initiative — Medical Assistance Management Initiatives. To detect and deter fraud through prior authorization and utilization review and to improve program management.</p> <p>50 —Initiative — Enhance Behavioral Health Oversight. To increase programmatic and financial review of behavioral managed care program.</p>	<p>County Administration — Statewide</p>	<p>18 —PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision implements home and community-based services for ten ventilator dependent individuals. See the Program Revision following the Human Services Program for additional information.</p>
	<p>\$ 2,260</p>	<p><i>Appropriation Increase</i></p>
	<p>\$ 6,072</p>	<p>County Assistance Offices —to continue current program.</p>

Program: Income Maintenance (continued)

Program Recommendations: (continued) This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Child Support Enforcement</p> <p>\$ 63 —to continue current program.</p> <p>510 —to provide for a financial institution data match to find assets of delinquent parents.</p> <p>340 —to implement an automated driver's license denial/suspension system.</p> <p>-4,850 —nonrecurring implementation of Pennsylvania Child Support Enforcement System (PACSES).</p> <p>4,454 —to implement a State centralized child support collection and disbursement system as required by Federal welfare reform.</p> <p>7,389 —to replace one-time Federal and Child Support Collection Incentive funds.</p> <hr/> <p>\$ 7,906 <i>Appropriation Increase</i></p> <p>New Directions</p> <p>\$ 388 —to continue current program.</p> <p>5,357 —increase required to place recipients with significant barriers to employment.</p> <p>858 —to expand monitoring of training programs.</p> <p>-5,721 —savings from decrease in recipients with few barriers to employment.</p> <p>2,463 —PRR — Promoting Self-Sufficiency and Responsibility. This Program Revision provides fatherhood initiatives, including parenting and life skills training, job search and pre-employment skills development, and supervised visitations. See the Program Revision following this program for additional information.</p> <hr/> <p>\$ 3,345 <i>Appropriation Increase</i></p>	<p>Cash Grants</p> <p>\$ -20,786 —change in caseload and average benefits.</p> <p>-12,869 —reduction of State Maintenance of Effort from 80% to 75%.</p> <p>-2,382 —savings from implementation of fingerprint verification.</p> <p>-1,793 —transfer of emergency shelter to Homeless Assistance appropriation.</p> <p>-1,170 —savings from the driver's license denial/suspension program.</p> <p>-375 —increase in child support collections.</p> <hr/> <p>\$ -39,375 <i>Appropriation Decrease</i></p> <p>Supplemental Grants — Aged, Blind, Disabled</p> <p>\$ 544 —for increased caseload and average benefits.</p> <p>1,215 —to annualize the 1998 Federal administrative fee increase.</p> <p>530 —impact of the 1999 Federal administrative fee increase.</p> <p>-5 —nonrecurring costs.</p> <hr/> <p>\$ 2,284 <i>Appropriation Increase</i></p> <p>Citizenship Services</p> <p>\$ -150 —decrease in the number of clients to be served.</p>
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In addition, the Promoting Self-Sufficiency and Responsibility Program Revision following this program provides: \$28,501,000 in Federal funds to increase the availability and accessibility of subsidized child care services; \$41,061,000 in new Federal funds and \$26,963,000 in existing Federal funds to provide short-term paid work experience and job readiness training for welfare recipients with the most significant barriers to employment; and, \$300,000 in Federal funds to implement fatherhood initiatives, including parenting and life skills training, and job search and pre-employment skills development.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
GENERAL FUND:							
County Administration — Statewide	\$ 37,621	\$ 42,371	\$ 44,631	\$ 45,978	\$ 46,867	\$ 47,774	\$ 48,699
County Assistance Offices	238,334	243,305	249,377	254,365	259,452	264,641	269,934
Child Support Enforcement	5,659	12,602	20,508	20,918	21,336	21,763	22,198
New Directions	58,785	81,552	84,897	63,570	64,782	66,018	67,279
Cash Grants	323,388	250,769	211,394	231,750	231,750	231,750	231,750
Supplemental Grants — Aged, Blind and Disabled	118,864	127,045	129,329	130,269	131,550	132,545	133,436
Citizenship Services	0	450	300	0	0	0	0
TOTAL GENERAL FUND	\$ 782,651	\$ 758,094	\$ 740,436	\$ 746,850	\$ 755,737	\$ 764,491	\$ 773,296

Program Revision: Promoting Self-Sufficiency and Responsibility

In May 1996, Pennsylvania became a national leader in welfare reform with the passage of a comprehensive plan that promotes personal and parental responsibility and accountability. Incentives to stay on welfare were removed and self-sufficiency was encouraged by requiring work and work-related activities in order to remain eligible for benefits. To support individuals and families transitioning from welfare to work, over \$2 billion has been provided through the Department of Public Welfare since 1995 for expanded employment and training, child care, transportation, and other support services. Since the implementation of welfare reform, 63,200 families have left the cash assistance caseloads. To continue to enable families to become or remain self-sufficient, this Program Revision proposes approximately \$78.2 million to further expand child care, transportation and employment and training opportunities for welfare recipients and low-income working families. In addition, this Program Revision proposes approximately \$2.8 million for fatherhood initiatives designed to promote responsibility, accountability and self-sufficiency.

One of the most important issues faced by families transitioning from welfare to work and low-income working families is the availability of quality child care. Subsidized child care enables welfare recipients and low-income working families to obtain or retain employment. This Program Revision proposes an increase of \$22.8 million in Federal funds to enable active and former welfare recipients to receive subsidized child care services through the Cash Grants appropriation. As a result of former welfare recipients no longer receiving subsidized child care services through the Child Care Services appropriation, existing funds are made available to serve approximately 16,000 additional children of low-income working families from the waiting list. This Program Revision also proposes \$10 million in Federal funds to expand accessibility to child care services for families participating in the subsidized programs by providing a substantial increase in the reimbursement rate ceilings for subsidized child care providers. The reimbursement formula for subsidized child care is the lower of the provider's market rate or the department's maximum rate ceiling. Effective January 2000, the reimbursement rate ceilings for child care services funded through the Cash Grants and Child Care Services appropriations would increase to better reflect current market rates.

Transportation is also a significant issue for individuals transitioning from welfare to work. Lack of access to reliable transportation can prevent individuals from accepting or retaining a job. This Program Revision proposes approximately \$4.4 million in Federal funds to provide transportation services in urban, suburban and rural areas to assist welfare recipients and low-income individuals access employment opportunities. The funding would be used to establish new transportation services or extend existing transportation services to fill the gaps that exist in many areas between where welfare recipients and low-income persons live and where employment opportunities are available.

Currently, the Department of Public Welfare offers a continuum of services to help transition welfare recipients to private employment, including job readiness, supervised job search, job training, short-term education, intensive case management and subsidized work activities. While the number of families receiving cash grant benefits has decreased substantially since the implementation of welfare reform, there remains a group of individuals whose barriers to employment include long-term welfare dependency, little or no work history and larger than average family size. To assist these individuals with the most significant barriers meet the 20 hours per week work requirement for the continuation of cash grant benefits, this Program Revision proposes to use approximately \$41 million in new Federal funds and \$27 million in existing Federal funds to provide short-term paid work experience and job readiness training for approximately 16,000 individuals as a transition to private employment.

This Program Revision also provides resources for fatherhood initiatives designed to motivate and challenge fathers to become involved in the lives of their children by focusing on services that promote strong families through personal and parental responsibility. Approximately \$2.5 million in State funds and \$300,000 in Federal funds is proposed to provide an array of services to fathers, including parenting and life-skills training, job search and pre-employment skills development, relationship counseling and support groups, and supervised visitations. The potential results of these initiatives include improved relationships between children and their fathers who are better prepared to become positive role models, and increased child support collections from fathers who are better prepared to obtain or retain employment.

Program Revision: Promoting Self-Sufficiency and Responsibility (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Children of low-income working families receiving child care							
Current	27,019	27,909	30,290	30,290	30,290	30,290	30,290
Program Revision	0	0	46,435	60,580	60,580	60,580	60,580
Welfare recipients participating in transitional paid work experience							
Current	0	10,500	0	0	0	0	0
Program Revision	0	0	16,000	3,000	0	0	0
Individuals participating in fatherhood initiatives							
Program Revision	0	0	740	740	740	740	740

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND New Directions \$ 2,463 —to support fatherhood initiatives, including parenting and life skills training, job search and pre-employment skills development, and supervised visitations.</p>	<p>\$ 25,448</p>	<p>TANFBG — New Directions —to provide short-term paid work experience and job readiness training for welfare recipients with the most significant barriers to employment.</p>
<p>This Program Revision is also supported with Federal Funds. The proposed uses of these funds follows: (Dollar Amounts in Thousands)</p> <p>PUBLIC WELFARE CCDFBG — Cash Grants \$ 22,827 —to provide subsidized child care services to active and former welfare recipients. 5,674 —to increase subsidized child care reimbursement rate ceilings to better reflect current market rates.</p> <p>Appropriation Total \$ 28,501</p>	<p>\$ 15,613</p>	<p>TANFBG — Cash Grants —to provide short-term paid work experience and job readiness training for welfare recipients with the most significant barriers to employment.</p> <p>Fatherhood Initiatives —to support fatherhood initiatives, including parenting and life skills training, and job search and pre-employment skills development.</p>
<p>CCDFBG — Child Care \$ 4,326 —to increase subsidized child care reimbursement rate ceilings to better reflect current market rates.</p>	<p>\$ 3,033</p>	<p>TRANSPORTATION TANFBG — Access to Jobs —to provide transportation services to assist welfare recipients and low-income working individuals access employment.</p>
	<p>\$ 1,333</p>	<p>TEA 21 — Access to Jobs —to provide transportation services to assist welfare recipients and low-income working individuals access employment.</p>

Recommended Program Revision Costs by Appropriation: (Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Public Welfare							
New Directions	\$ 0	\$ 0	\$ 2,463	\$ 2,975	\$ 2,975	\$ 2,975	\$ 2,975

PROGRAM OBJECTIVE: To maximize the individual's capacity for independent living through the provision of an array of service and support programs.

Program: Mental Health

This program provides for an integrated mental health system consisting of comprehensive community mental health services and State operated hospitals. Community mental health services are administered under the Pennsylvania Mental Health and Mental Retardation (MH/MR) Act of 1966 and the Mental Health Procedures Act (MHPA) of 1976. There are nine mental hospitals and one restoration (long-term care) center in the State mental hospital system.

Program Element: Community Mental Health Services

The MH/MR Act of 1966 requires county governments to provide an array of community-based mental health services, including unified intake, community consultation and education, support for families caring for members with mental disorders and community residential programs. A key for all community care is case management, which can vary in intensity, to assist both families and residents in care facilities to access and manage needed services. Non-residential services include family-based services, outpatient care, partial hospitalization, emergency and crisis intervention and after care. Community residential services consist of housing support, residential treatment, inpatient care, crisis services and community residential rehabilitation (CRR) care. Services are generally administered by a single county, county jointers or through contracts with private, nonprofit organizations or agencies. Services, with some exceptions, are funded with State funds

and county matching funds. Community services are targeted to adults with serious mental illness and children/adolescents with or at risk of serious emotional disturbance.

Program Element: State Mental Hospitals

State mental hospitals provide long-term inpatient care for individuals who require intensive inpatient treatment or individuals who have no available alternatives. Additionally, they provide specialized inpatient care for adolescents, criminal offenders and elderly (long-term) populations. Efforts continue to transfer patients and funds to community mental health programs, providing a less restrictive level of care through the Community Hospital Integration Projects Program (CHIPPs)

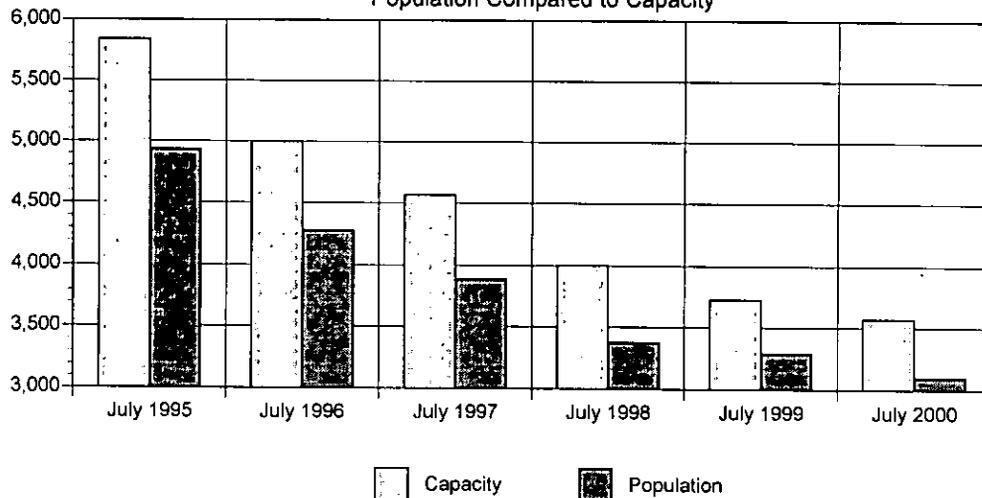
Program Element: Behavioral Health Services

The Behavioral Health Program grants to county governments provide mental health and drug and alcohol services designed to provide community treatment for low-income persons who are not eligible for Medical Assistance.

Mental health services are targeted to persons who have serious mental illness with a history of involuntary psychiatric commitment or are receiving psychiatric services to avert institutionalization. Drug and alcohol services are targeted to persons receiving non-hospital drug and alcohol services or requiring three or more hospital detoxification admissions per year.

Mental Hospitals

Population Compared to Capacity



Program: Mental Health (continued)

Program Measures: (continued)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Persons provided mental health services (unduplicated)	203,089	205,102	207,000	207,000	207,000	207,000	207,000
State mental hospital population at end of fiscal year	3,377	3,290	3,200	3,200	3,200	3,200	3,200
Persons served by the Community Hospital Integration Projects Program	1,440	1,540	1,691	1,700	1,700	1,700	1,700
Percentage of adults readmitted to State mental hospitals within one year of last discharge	14%	13%	12%	11%	11%	11%	11%
Persons served in community residential mental health facilities	5,392	5,292	5,141	5,200	5,200	5,200	5,200
Persons receiving intensive case management	14,585	14,731	14,879	15,000	15,000	15,000	15,000
Persons receiving family based mental health services	4,919	4,968	5,018	5,100	5,100	5,100	5,100

Hospital and Restoration Center Populations for the Prior, Current and Upcoming Year:

State Mental Hospitals	Capacity July 1999	Projected Population July 1997	Population July 1998	Projected Population July 1999	Projected Percent of Capacity July 1999
Allentown	281	339	282	259	92.17%
Clarks Summit	310	343	237	241	77.74%
Danville	242	273	220	220	90.91%
Eastern State School and Hospital	10	10	9	10	100.00%
Harrisburg	392	347	343	345	88.01%
Haverford	0	264	0	0	N/A
Mayview	509	503	451	460	90.37%
Norristown	740	547	698	640	86.49%
South Mountain	300	298	273	260	86.67%
Torrance	348	332	315	300	86.21%
Warren	330	280	264	270	81.82%
Wernersville	300	348	285	285	95.00%
TOTAL	3,762	3,884	3,377	3,290	87.45%

Program: Mental Health (continued)

Total Proposed Expenditures by Hospital, Restoration Center and Community Programs:

(Amounts in Thousands)

(Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget
Allentown			
State Funds	\$ 32,941	\$ 38,719	\$ 38,215
Federal Funds	4,286	3,510	3,313
Augmentations ...	2,094	2,167	1,961
TOTAL	\$ 39,321	\$ 44,396	\$ 43,489

Clarks Summit			
State Funds	\$ 26,879	\$ 30,716	\$ 29,007
Federal Funds	5,103	4,187	3,943
Augmentations ...	1,924	1,885	1,851
TOTAL	\$ 33,906	\$ 36,788	\$ 34,801

Danville			
State Funds	\$ 25,068	\$ 27,130	\$ 25,838
Federal Funds	4,252	4,306	4,489
Augmentations ...	1,972	1,885	1,894
TOTAL	\$ 31,292	\$ 33,321	\$ 32,221

Eastern State School and Hospital			
State Funds	\$ 1,830	\$ 2,159	\$ 3,556
Federal Funds	1,525	1,992	0
Augmentations ...	59	10	2
TOTAL	\$ 3,414	\$ 4,161	\$ 3,558

Harrisburg			
State Funds	\$ 36,791	\$ 38,736	\$ 41,045
Federal Funds	3,344	4,089	4,364
Augmentations ...	2,357	2,135	2,130
TOTAL	\$ 42,492	\$ 44,960	\$ 47,539

Haverford			
State Funds	\$ 26,747	\$ 0	\$ 0
Federal Funds	2,195	0	0
Augmentations ...	1,540	0	0
TOTAL	\$ 30,482	\$ 0	\$ 0

Mayview			
State Funds	\$ 81,466	\$ 84,978	\$ 82,859
Federal Funds	7,499	6,844	6,929
Augmentations ...	2,262	2,101	2,103
TOTAL	\$ 91,227	\$ 93,923	\$ 91,891

	1997-98 Actual	1998-99 Available	1999-00 Budget
Norristown			
State Funds	\$ 71,720	\$ 97,501	\$ 110,116
Federal Funds	5,774	9,321	7,401
Augmentations ...	2,298	2,252	2,412
TOTAL	\$ 79,792	\$ 109,074	\$ 119,929

South Mountain State Restoration Center			
State Funds	\$ 10,946	\$ 10,876	\$ 11,304
Federal Funds	9,439	11,388	9,937
Augmentations ...	2,052	1,849	1,937
TOTAL	\$ 22,437	\$ 24,113	\$ 23,178

Torrance			
State Funds	\$ 37,871	\$ 42,065	\$ 41,992
Federal Funds	5,875	5,092	5,362
Augmentations ...	2,205	2,132	2,203
TOTAL	\$ 45,951	\$ 49,289	\$ 49,557

Warren			
State Funds	\$ 34,214	\$ 35,429	\$ 34,569
Federal Funds	3,995	4,949	4,813
Augmentations ...	2,190	2,365	2,252
TOTAL	\$ 40,399	\$ 42,743	\$ 41,634

Wernersville			
State Funds	\$ 28,798	\$ 30,966	\$ 31,289
Federal Funds	4,018	4,223	4,014
Augmentations ...	2,203	2,319	2,082
TOTAL	\$ 35,019	\$ 37,508	\$ 37,385

Administrative Cost			
State Funds	\$ 4,411	\$ 5,839	\$ 6,509
Federal Funds	190	177	174
Augmentations ...	0	0	0
TOTAL	\$ 4,601	\$ 6,016	\$ 6,683

Community Programs			
State Funds	\$ 139,251	\$ 138,178	\$ 133,340
Federal Funds	208,262	200,629	192,182
Augmentations ...	0	0	0
TOTAL	\$ 347,513	\$ 338,807	\$ 325,522



Public Welfare

Program: Mental Health (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Mental Health Services		Psychiatric Services in Eastern PA	
\$ 5,448	—to provide a two percent cost-of-living adjustment for the community mental health program.	\$ -3,650	—nonrecurring project.
-9,712	—nonrecurring cost for client services provided through managed care.		
-433	—transfer of the HealthChoices actuary services to County Administration-Statewide.		
6,246	—to annualize the Community Hospital Integration Projects Program.		
1,186	—to replace nonrecurring Federal funds.		
3,612	—to continue current program.		
<u>\$ 6,347</u>	<i>Appropriation Increase</i>		

Behavioral Health Services is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Mental Health Services	\$ 558,933	\$ 583,292	\$ 589,639	\$ 597,859	\$ 606,243	\$ 614,795	\$ 623,519
Behavioral Health Services	54,640	41,147	41,147	41,147	41,147	41,147	41,147
Psychiatric Services in Eastern PA.....	3,650	7,150	3,500	3,500	3,500	3,500	3,500
TOTAL GENERAL FUND	<u>\$ 617,223</u>	<u>\$ 631,589</u>	<u>\$ 634,286</u>	<u>\$ 642,506</u>	<u>\$ 650,890</u>	<u>\$ 659,442</u>	<u>\$ 668,166</u>

PROGRAM OBJECTIVE: To maximize each individual's capacity for more independent living and participation in community life by providing needed training and support services.

Program: Mental Retardation

The Department of Public Welfare supports a comprehensive array of services for people with mental retardation including community residential and non-residential programs which are either administered or operated by the counties and institutional programs operated by the State and private providers. In addition to State and Federal funding, local funding is provided for community programs as authorized by the Mental Health and Mental Retardation Act of 1966.

The mental retardation program is evolving from a predominately facility-based system, comprised 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 is toward using formalized services to enhance the natural supports that exist in the family and the community.

Program Element: Institutional Services

The Department of Public Welfare operates or provides funding for privately operated institutional care for people with mental retardation. The Commonwealth provides services through seven State centers and one mental retardation unit. The primary goal is to develop each resident's ability to function more independently thus preparing them to live in less restrictive environments. All facilities are currently certified for Medical Assistance under standards established by the Health Care Financing Administration. Private ICF/MR facilities also provide intensive habilitative services to persons with mental retardation. Large facilities are single or multiple buildings on campus-like sites accommodating more than eight persons while small facilities may be located in the community and serve eight persons or less.

Program Element: Community Mental Retardation Services

The Mental Health and Mental Retardation Act of 1966 provides the statutory basis for the development of community-based services for people with mental retardation. Community residential facilities include group homes, single apartments with a roommate, or a family

living setting with family or friends. Day services such as supported employment, training and recreation are provided to residential and non-residential clients living in the community. A wide array of services is also available to support families caring for a child or sibling with mental retardation. Services include case management, mobility training, employment training and opportunities and adult day care. Some services are eligible for Federal funds under the Medicaid Home and Community-Based Waiver Program.



Expansion of the community care program has increased the number of people served, reduced the waiting list, and, through an initiative beginning in 1999, will provide additional services to 1,800 currently underserved clients. Over the same period, the population in State centers will have decreased by 54%.

Program Element: Early Intervention

The Department of Public Welfare administers the Early Intervention Program for children from birth through age two. Services include health care, skill development and social services. These services are intended to minimize developmental delay and the need for special education, to enhance potential for independent living, and to assist families in meeting their children's special needs.



Program: Mental Retardation (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Persons receiving MR services during fiscal year.....	71,575	71,700	72,200	72,200	72,200	72,200	72,200
Persons receiving community non-residential services:							
Early Intervention.....	17,771	17,771	18,500	18,500	18,500	18,500	18,500
Adult day services.....	21,356	22,332	23,200	23,200	23,200	23,200	23,200
Family support services.....	19,676	19,548	19,500	19,500	19,500	19,500	19,500
Persons receiving residential services (at end of fiscal year):							
Residents of community residential facilities (CRF).....	13,012	13,410	13,972	14,000	14,000	14,000	14,000
Residents in private ICF/MRs.....	3,212	3,109	3,000	3,000	3,000	3,000	3,000
Residents in State centers and mental retardation units.....	2,533	2,127	1,800	1,750	1,725	1,675	1,650
Residents transferred to more independent settings during fiscal year from:							
Community residential facilities.....	242	242	242	242	242	242	242
State centers and MR units.....	348	368	220	10	10	10	10

More residents were transferred to independent settings from community residential facilities than anticipated in last year's budget because of changes in individual client care requirements.

The transfer of residents to independent settings from State Centers and MR units is different from last year's budget because the move of residents from Western and Embreeville Centers occurred in 1998-99 rather than 1997-98.

State Centers Population for the Prior, Current and Upcoming Year:

	Projected Bed Capacity July 1999	Population July 1997	Population July 1998	Projected Population July 1999	Projected Percent Capacity July 1999
State Centers					
Altoona.....	148	138	145	136	91.9%
Ebensburg.....	366	410	379	339	92.6%
Embreeville.....	0	47	0	0	N/A
Hamburg.....	250	306	278	225	90.0%
Laurelton.....	0	121	1	0	N/A
Polk.....	590	669	605	516	87.5%
Selinsgrove.....	585	651	636	525	89.7%
Western.....	75	144	119	60	80.0%
White Haven.....	290	341	315	275	94.8%
TOTAL STATE CENTERS.....	2,304	2,827	2,478	2,076	90.1%
Units for Mentally Retarded					
Mayview.....	60	56	55	51	85.0%
Torrance.....	0	39	0	0	0
TOTAL UNITS FOR MENTALLY RETARDED.....	60	95	55	51	85.0%
GRAND TOTAL.....	2,364	2,922	2,533	2,127	90.0%

Program: Mental Retardation (continued)

Proposed Expenditures by Center:

	(AMOUNTS IN THOUSANDS)			(AMOUNTS IN THOUSANDS)		
	1997-98 Actual	1998-99 Available	1999-00 Budget	1997-98 Actual	1998-99 Available	1999-00 Budget
ALTOONA						
State funds	\$ 4,699	\$ 4,832	\$ 5,087			
Federal funds	5,305	5,635	5,803			
Augmentations ...	542	596	584			
TOTAL	\$ 10,546	\$ 11,063	\$ 11,474			
EBENSBURG						
State funds	\$ 19,112	\$ 19,716	\$ 20,257			
Federal funds	21,439	22,891	22,981			
Augmentations ...	1,775	1,709	1,617			
TOTAL	\$ 42,326	\$ 44,316	\$ 44,855			
EMBREEVILLE						
State funds	\$ 3,341	\$ 1,007	\$ 1,114			
Federal funds	3,724	0	0			
Augmentations ...	114	0	0			
TOTAL	\$ 7,179	\$ 1,007	\$ 1,114			
HAMBURG						
State funds	\$ 13,824	\$ 13,914	\$ 13,583			
Federal funds	15,537	16,191	15,454			
Augmentations ...	1,355	1,250	964			
TOTAL	\$ 30,716	\$ 31,355	\$ 30,001			
LAURELTON						
State funds	\$ 7,031	\$ 2,114	\$ 1,623			
Federal funds	7,924	0	0			
Augmentations ...	571	0	0			
TOTAL	\$ 15,526	\$ 2,114	\$ 1,623			
POLK						
State funds	\$ 31,219	\$ 29,999	\$ 29,362			
Federal funds	34,989	34,793	33,341			
Augmentations ...	3,089	3,021	2,884			
TOTAL	\$ 69,297	\$ 67,813	\$ 65,587			
SELINSGROVE						
State funds	\$ 28,431	\$ 29,715	\$ 30,281			
Federal funds	31,877	34,573	34,458			
Augmentations ...	3,367	3,227	2,845			
TOTAL	\$ 63,675	\$ 67,515	\$ 67,584			
WESTERN						
State funds	\$ 10,318	\$ 10,765	\$ 4,295			
Federal funds	11,587	12,496	4,862			
Augmentations ...	678	362	0			
TOTAL	\$ 22,583	\$ 23,623	\$ 9,157			
WHITE HAVEN						
State funds	\$ 15,693	\$ 15,927	\$ 15,387			
Federal funds	17,675	18,588	17,535			
Augmentations ...	1,749	1,639	1,539			
TOTAL	\$ 35,117	\$ 36,154	\$ 34,461			
MAYVIEW						
State funds	\$ 1,715	\$ 1,830	\$ 1,840			
Federal funds	1,957	2,163	2,112			
Augmentations ...	254	251	243			
TOTAL	\$ 3,926	\$ 4,244	\$ 4,195			
TORRANCE						
State funds	\$ 1,158	\$ 153	\$ 0			
Federal funds	1,333	0	0			
Augmentations ...	156	0	0			
TOTAL	\$ 2,647	\$ 153	\$ 0			

The funds for Laurelton and Embreeville are for security and maintenance of the facility pending disposition.



Program: Mental Retardation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$	866	State Centers for the Mentally Retarded	-929	—to reflect nonrecurring cost.
		—to standardize the health care delivery service in all State centers.	500	—Initiative — Strengthening Oversight of Mental Retardation Services. To establish additional local health care coordination units which provide clinical consultation, technical assistance, and training for individuals with mental retardation, their families, service providers and health care professionals.
	-5,580	—savings from the 1998-99 staffing reductions.		
	-3,605	—to reflect downsizing and consolidation of State centers due to limited admissions and patient attrition in 1999-00.		
	1,005	—to continue current program.		
\$	-7,314	<i>Appropriation Decrease</i>	7,325	—PRR — Expanding Home and Community-Based Opportunities for Persons with Disabilities. This Program Revision provides home and community-based services for 410 additional persons with mental retardation. See the Program Revision following the Human Services Program for additional information.
		Intermediate Care Facilities — Mentally Retarded		
\$	2,167	—to provide a two percent cost-of-living adjustment.		
	-5,264	—savings from the transfer of provider capacity from the ICF/MR program to the Community MR Program.		
	-315	—revision of Federal financial participation rate from 53.68% to 53.81%.	\$	31,261 <i>Appropriation Increase</i>
	2,153	—for increases in waivers, cost settlements and utilization.		
	-2,155	—nonrecurring project.	\$	890 Early Intervention
\$	-3,414	<i>Appropriation Decrease</i>	-28	—to provide a two percent cost-of-living adjustment.
		Community Mental Retardation Services	-1,785	—revision of Federal financial participation rate from 53.68% to 53.81%.
\$	10,296	—to provide a two percent cost-of-living adjustment.	\$	-923 <i>Appropriation Decrease</i>
	6,480	—provides for the conversion of 152 private ICF/MR beds to the community program.		
	11,346	—to annualize 1998-99 initiatives.	\$	59 Pennhurst Dispersal
	-754	—revision of Federal financial participation rate from 53.68% to 53.81%.		—to provide a two percent cost-of-living adjustment.
	-1,503	—to reflect receipt of Federal funds for certain community clients who were never institutionalized.	\$	8 MR Residential Services — Lansdowne
	-1,500	—to reflect an increase in prior year funds remaining with the counties.		—to provide a two percent cost-of-living adjustment.

All other appropriations are recommended at the current year funding level.

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following the Human Services Program provides \$13.6 million in Federal funds to implement a new Medicaid home and community-based waiver program which would provide personal assistance services for individuals with mental retardation to live in their own or family homes.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
State Centers for the Mentally Retarded	\$ 136,541	\$ 130,143	\$ 122,829	\$ 119,880	\$ 122,224	\$ 124,613	\$ 127,048
Intermediate Care Facilities —							
Mentally Retarded	113,693	111,345	107,931	107,931	107,931	107,931	107,931
Community Mental Retardation Services ...	464,633	497,360	528,621	537,839	537,839	537,839	537,839
Assistive Technology	700	770	770	770	770	770	770
Early Intervention	44,230	44,483	43,560	43,560	43,560	43,560	43,560
Pennhurst Dispersal	2,875	2,933	2,992	2,992	2,992	2,992	2,992
MR Residential Services — Lansdowne	371	378	386	386	386	386	386
TOTAL GENERAL FUND	\$ 763,043	\$ 787,412	\$ 807,089	\$ 813,358	\$ 815,702	\$ 818,091	\$ 820,526

PROGRAM OBJECTIVE: To enhance the social and economic well being of families and individuals through the provision of an array of services and support programs.

Program: Human Services

The department operates a variety of programs designed to provide supportive services to people while they overcome an adverse behavior or circumstance which has affected their lives.

Program Element: Family Support Service

Providing services to children who are in need of care and protection is the joint responsibility of the Department of Public Welfare and county government. Each county is responsible for developing and administering a program of services designed to treat and prevent child abuse, neglect and exploitation and to provide services that reduce dependency and delinquency. The County Children and Youth Program includes services to parents and children to enable children to remain in their own homes and communities. However, the safety of children is a paramount concern of this program. Policies and procedures have been instituted to protect children from harm and to minimize time in foster homes and institutions. Court oversight for children who have been abused and neglected has been increased and new emphasis has been placed on parental responsibility for children.

Services provided by the counties include temporary placement services for children who cannot live with their own family, adoption services, assistance to provide a permanent legal family for any child who cannot be returned to his own family, day treatment services, child protective services, emergency shelter services, 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 services for all eligible children through a Statewide adoption network. This includes services to children who are in foster placement and cannot be returned to their natural parents. Community Based Family Centers also provide coordinated services to children and their families in a neighborhood setting.

The courts may order any service or care for children who have been adjudicated dependent or delinquent. This may include youth adjudicated delinquent but remanded to private residential treatment programs. Treatment is reviewed on a periodic basis.

Program Element: Youth Development Service

Pennsylvania's juvenile justice system is designed to minimize institutionalization while recognizing that confinement in a treatment environment is necessary for certain juveniles who pose a threat to themselves or others. The court may sentence youth to either the Youth Development Center and Youth Forestry Camp (YDC/YFC)

System or a private facility. Both systems provide residential programs for the treatment of Pennsylvania's serious juvenile offenders and those with special problems. The purpose of the system is to bring about positive changes in the juveniles by developing skills and attitudes which will enable them to become responsible, productive members of society.

Administrative Complex	Projected July 1996 Capacity	July 1997 Population	July 1998 Population	Projected July 1999 Population	Projected July 1999 % of Capacity
Bensalem	108	116	89	98	90%
YFC - Hickory Run	49	49	51	50	102%
YFC - Trough Creek	62	69	67	65	105%
New Castle	318	305	299	328	103%
Loysville	364	254	334	376	103%
Total Current Programs	901	793	840	917	102%

The YDCs/YFCs have a total capacity of 901 youth. Included in the system are specialized treatment services for sex offenders, arsonists, drug and alcohol abusers, emotionally disturbed and mentally retarded youth.

Treatment of youth within the YDCs/YFCs is guided by the Master Case Planning System. 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 form the core of the treatment process.

The YDCs/YFCs emphasize programs and activities designed to promote youth competency, victim awareness, social and financial restitution and public safety and protection. Each program provides training and education in daily living skills. Many YDCs/YFCs also provide actual job training and work experience opportunities where youth may be paid. Youth are required to use a portion of their earnings for restitution.

Education is a major component of the YDC/YFC system. Each program includes both academic and vocational curricula. Educational diagnostic testing precedes all academic placements and is utilized in the development of Individual Education Plans (IEPs) for each youth.

Program Element: Child Care

Subsidized child care is provided to low-income families who need child care in order to maintain employment. The purpose of this subsidy is to encourage families to be self-supporting and self-sufficient. Revenue to support this

Program: Human Services (continued)

program comes from Federal and State funds and parent copayments.

Parents can receive subsidized child care from various child care facilities including licensed centers, group child care homes, registered family child care homes and relatives or neighbors. All child care facilities must meet health and safety standards developed by the department. To receive subsidized funding for nonlicensed care, a provider must register with the Child Care Information Services (CCIS) Agency (formerly known as the Local Management Agency) that administers the subsidized funds in the provider's area.

Child Care Information Services Agencies operate Statewide. The objectives of the subsidy program are to offer parent choice for child care service, offer parents information on how to select good child care, allow more licensed/registered providers to participate in the State subsidized system and allow the Commonwealth to purchase services at rates that assure adequate access to care.

Program Element: Family Planning and Breast Cancer Screening

Family planning services meet contraceptive needs or infertility problems through the provision of educational, medical and social services. Persons 16 years of age and over are served at 200 clinics in the State.

Breast cancer screening for low-income women is directed toward those at high risk of developing breast cancer. The target group is all new family planning clients, all women 35 years of age and older and women with a family history of breast cancer.

Program Element: Attendant Care

This service provides attendant care for adults ages 18-59 through a variety of program models. Personal assistance services such as dressing and grooming are those which non-disabled persons would do for themselves. Service enables recipients to remain in or return to their own homes and maintain an independent lifestyle. Persons age 60 and over receive attendant care through funding provided by the Department of Aging.

Program Element: Legal Services

The department contracts with the Pennsylvania Legal Services Center, a private, nonprofit corporation, to provide civil legal assistance for low-income persons with family, consumer, employment and other problems. The emphasis of the service delivery is to provide emergency legal services in situations which threaten the basic needs of individuals. These services do not include political activities, services to organizations, 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 at large.

Rape crisis services 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. Prevention and educational programs are also provided to lessen the risk of sexual assault for adults and children in the community at large.

Program Element: Homeless Assistance

The Homeless Assistance Program provides 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 is a cash payment to an individual or family to prevent or end homelessness. Housing assistance can include assistance to prevent homelessness by intervening in cases 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 provided to assure ongoing coordination with the client. This assists the client with activities needed for self-sufficient living.

Specialized residences for the mentally ill homeless are being 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: Services to the Developmentally Disabled

This program provides services to persons with physical disabilities such as cerebral palsy and other impairments (excluding mental illness) which affect general mental and physical functioning. Persons who are developmentally disabled have limitations in the areas of self-care, understanding and/or use of language, learning, mobility, self-direction and capacity for independent living. The

Program: Human Services (continued)

services assist consumers to function as independently as possible. These individuals, whose disability occurred before age 22, had been receiving services in a nursing home environment; however, Federal regulations require that services be provided at the most appropriate level and location. Some of these people may elect to receive the services while in the nursing home.

A Federal waiver allows services to be provided to a limited number of consumers who are nursing home and medical assistance eligible but have not resided in a nursing home.

Program Measures	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Youth Development Centers							
YDC — youth served	1,963	2,084	2,084	2,084	2,084	2,084	2,084
YDC — occupancy rates	100%	100%	102%	102%	102%	102%	102%
YDC — youth in work experience.....	457	470	483	500	500	500	500
Family Support Services							
Children receiving child welfare services at home	151,125	142,598	160,986	161,000	161,000	161,000	161,000
Out of home placement in:							
Community residential programs	21,506	21,787	21,918	21,920	21,920	21,920	21,920
Institutional care programs	6,205	5,418	5,722	5,720	5,720	5,720	5,720
Agency arranged adoptions	1,795	2,000	2,200	2,200	2,200	2,200	2,200
Children waiting for adoption	3,900	4,400	4,500	4,500	4,500	4,500	4,500
Children receiving child care	54,039	55,817	60,580	60,580	60,580	60,580	60,580
Percent of child abuse reports substantiated	25.10%	25.10%	25.00%	25.00%	25.00%	25.00%	25.00%
Homeless Assistance							
Total persons receiving homeless services	109,061	109,674	106,000	104,000	102,000	100,000	100,000
Other Human Services							
Domestic violence persons served	55,520	57,608	57,608	57,600	57,600	57,600	57,600
Rape crisis/sexual assault persons served	16,063	17,971	19,453	19,500	19,500	19,500	19,500
Breast cancer screening clients	110,500	112,750	112,750	112,750	112,750	112,750	112,750
Legal service clients	30,074	26,790	26,790	26,790	26,790	26,790	26,790
Attendant care persons served	2,688	3,030	3,131	3,150	3,150	3,150	3,150
Persons with developmental disabilities served in nursing facilities	699	689	685	680	680	680	680
Persons with developmental disabilities served in the community	224	285	335	335	335	335	335

Agency arranged adoptions and children waiting for adoption have increased from those shown in last year's budget because of the effect of adoption reform, Act 126 of 1998.

Rape crisis/sexual assault persons served increased from those shown in last year's budget because the average cost per person was lower than anticipated, allowing more people to be served.

Persons receiving legal services increased from those shown in last year's budget because the cases handled were less complex and, therefore, less time consuming than anticipated.

The persons with developmental disabilities served in nursing facilities and the community change from those shown in last year's budget due to the increased availability of appropriate services in the community resulting from a Federal waiver.

Program: Human Services (continued)

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Youth Development Institutions and Forestry Camps</p> <p>\$ 181 —to continue current program.</p> <p>478 —to reflect full occupancy of the new Cresson, South Mountain and Danville facilities.</p> <p>808 —to enhance safety and security throughout the system with significant upgrades at Danville and the Southeastern Secure Care Unit.</p> <p>262 —to provide a two percent cost-of-living adjustment for privately operated facilities.</p> <p>300 —to replace nonrecurring Federal funds.</p> <p>-100 —nonrecurring projects.</p> <hr/> <p>\$ 1,929 <i>Appropriation Increase</i></p> <p>County Child Welfare</p> <p>40,375 —to provide for county needs-based budgets as mandated by Act 30 of 1991.</p> <p>1,709 —to provide a two percent cost-of-living adjustment for services not provided by county staff.</p> <p>16,403 —increased cost for adoptions and safe families reform.</p> <p>16,390 —to provide for implementation of Child Protective Services legislation.</p> <p>-3,673 —nonrecurring projects.</p> <p>1,500 —to provide for additional services through the Statewide Adoption Network.</p> <p>3,766 —to provide for additional special grants.</p> <p>11,156 —to replace nonrecurring prior year carryover.</p> <hr/> <p>\$ 87,626 <i>Appropriation Increase</i></p> <p>Adoptions and Safe Families</p> <p>\$ -6,060 —funds are included in the County Child Welfare appropriation for 1999-00.</p> <p>Community Based Family Centers</p> <p>\$ 61 —to provide a two percent cost-of-living adjustment.</p> <p>Child Care Services</p> <p>\$ 1,141 —to provide a two percent cost-of-living adjustment.</p> <p>-473 —to reflect direct appropriation of funds for migrant day care to the Department of Education.</p> <p>300 —Initiative — Child Care Training Enhancements. To increase the quality and availability of health, safety and early childhood development training information for relative and neighbor child care providers.</p> <hr/> <p>\$ 968 <i>Appropriation Increase</i></p> <p>Domestic Violence</p> <p>\$ 215 —to provide a two percent cost-of-living adjustment.</p> <p>-35 —nonrecurring project.</p> <p>500 —to provide for ten additional on-site hospital medical advocacy projects.</p> <hr/> <p>\$ 680 <i>Appropriation Increase</i></p>	<p>Rape Crisis</p> <p>\$ 92 —to provide a two percent cost-of-living adjustment.</p> <p>750 —to serve an additional 1,482 persons.</p> <hr/> <p>\$ 842 <i>Appropriation Increase</i></p> <p>Breast Cancer Screening</p> <p>\$ 18 —to provide a two percent cost-of-living adjustment.</p> <p>Legal Services</p> <p>\$ 49 —to provide a two percent cost-of-living adjustment.</p> <p>Homeless Assistance</p> <p>\$ -2,200 — nonrecurring project.</p> <p>506 —to provide a two percent cost-of-living adjustment.</p> <hr/> <p>\$ -1,694 <i>Appropriation Decrease</i></p> <p>Services to Developmentally Disabled</p> <p>\$ 161 —to provide a two percent cost-of-living adjustment.</p> <p>Attendant Care</p> <p>\$ 1,208 —to provide for an additional 100 individuals entering the program.</p> <p>689 —annualization of 214 individuals entering the program in 1998-99.</p> <p>449 —to provide a two percent cost-of-living adjustment.</p> <p>-34 —revision of Federal financial participation rate from 53.68% to 53.81%.</p> <hr/> <p>\$ 2,312 <i>Appropriation Increase</i></p>
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All other appropriations are recommended at the current year funding level.

In addition, the Promoting Self-Sufficiency and Responsibility Program Revision following the Income Maintenance Program provides \$4,326,000 in Federal funds to increase the availability and accessibility of subsidized child care services by increasing reimbursement rate ceilings to better reflect market rates.

In addition, the Expanding Home and Community-Based Opportunities for Persons with Disabilities Program Revision following this program provides \$2,184,000 in Federal funds, \$1,424,000 in Long-Term Care Intergovernmental Transfer funds and \$449,000 in Catastrophic Medical and Rehabilitation funds to provide home and community-based services for 114 persons with disabilities, including traumatic brain injury and autism, and proposes to transfer the Bureau of Blindness and Visual Services from the Department of Public Welfare to the Department of Labor and Industry to improve services for persons who are blind or visually impaired.

Program: Human Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Youth Development Institutions and							
Forestry Camps	\$ 75,354	\$ 78,737	\$ 80,666	\$ 82,279	\$ 83,925	\$ 85,604	\$ 87,316
County Child Welfare	398,740	403,619	491,245	541,009	594,574	652,231	714,290
Adoptions and Safe Families	0	6,060	0	0	0	0	0
Community Based Family Centers	2,061	3,061	3,122	3,122	3,122	3,122	3,122
Child Care Services	47,717	57,545	58,513	58,513	58,513	58,513	58,513
Domestic Violence	9,758	10,769	11,449	11,449	11,449	11,449	11,449
Rape Crisis	4,166	4,583	5,425	5,425	5,425	5,425	5,425
Breast Cancer Screening	884	902	920	920	920	920	920
Human Services Development Fund	34,680	35,374	35,374	35,374	35,374	35,374	35,374
Legal Services	2,000	2,450	2,499	2,499	2,499	2,499	2,499
Homeless Assistance	24,805	27,501	25,807	25,807	25,807	25,807	25,807
Services to Developmentally Disabled	7,878	8,036	8,197	8,197	8,197	8,197	8,197
Attendant Care	17,224	20,525	22,837	22,837	22,837	22,837	22,837
Arsenal Family and Children's Center	160	160	160	160	160	160	160
Beacon Lodge Camp — Blind Services	124	124	124	124	124	124	124
TOTAL GENERAL FUND	\$ 625,551	\$ 659,446	\$ 746,338	\$ 797,715	\$ 852,926	\$ 912,262	\$ 976,033

Program Revision: Expanding Home and Community-Based Opportunities for Persons with Disabilities

The Commonwealth has made significant investments over the last several years to afford persons with disabilities the opportunity to be as productive as possible and to fully participate in society. Historically, services for individuals with mental and physical disabilities have been provided in institutional settings, such as State mental retardation centers, intermediate care facilities and nursing homes. As a result of medical and technological advancements and the development of more sophisticated service delivery systems, many individuals with disabilities are now able to remain in their homes and communities with the appropriate supports. This Program Revision proposes \$35.3 million to continue the Commonwealth's commitment to provide services for individuals with disabilities that promote independence and self-respect, and maximize opportunities for family and community involvement.

The availability of services for persons with mental retardation have been progressively shifting over the last several years from institutional care to home and community-based care. This Program Revision proposes approximately \$12.4 million in total funds to further enhance community opportunities for persons with mental retardation, including community placements for 210 residents of State Centers and 200 individuals on county waiting lists.

This Program Revision also provides \$13.6 million in Federal funds for a new Medicaid home and community-based waiver program designed to enable individuals with mental retardation to live in their own or family home. As a result of the new Medicaid waiver, additional day and support services would be provided to 1,826 individuals currently receiving assistance and to 261 individuals on county waiting lists.

The Commonwealth currently offers a variety of other Medicaid waiver programs which enable persons with disabilities to remain in their homes and communities. This Program Revision provides approximately \$4.3 million in new funding and \$449,000 in existing funding to expand and enhance the availability of Medicaid home and community-based waiver services for persons with disabilities who would otherwise need more restrictive and expensive institutional care. These waiver enhancements would enable 114 additional persons with disabilities, including traumatic brain injury and autism, to remain in their homes and communities, and ten ventilator dependent young adults currently receiving in-home services through the Early and Periodic Screening, Diagnosis and Treatment Program to continue receiving those services after age 21. In addition, this Program Revision proposes approximately \$1.8 million in total funds to expand an existing Medicaid home and community-based waiver

program to provide services as an alternative to nursing home care for 3,000 additional older Pennsylvanians when fully implemented.

Accessible housing is critical for persons with disabilities to remain in the community as opposed to being placed in an institutional setting, such as a nursing home or intermediate care facility. Such institutional placements not only reduce the quality of life for individuals with disabilities and their families, it also results in higher costs. This Program Revision proposes \$2 million in Long-Term Care Intergovernmental Transfer funds and \$750,000 in existing Federal and other funds for the Department of Community and Economic Development and the Pennsylvania Housing Finance Agency to provide persons with disabilities financial assistance for home modifications and home ownership, as well as information regarding the availability of accessible housing, financial assistance, and barrier-free living designs, construction and equipment.

For persons who are blind or visually impaired, the Department of Public Welfare currently provides a full range of rehabilitation and support services to assist individuals obtain or maintain gainful employment and to function as independently as possible within their homes and communities. To better integrate and expand the scope of services provided to persons who are blind or visually impaired, this Program Revision proposes to transfer the Bureau of Blindness and Visual Services from the Department of Public Welfare to the Office of Vocational Rehabilitation within the Department of Labor and Industry. This administrative realignment would provide more efficient and higher quality services while maintaining a distinct and specialized service model. As a result of the transfer, individuals who are blind or visually impaired would immediately have access to the resources of the Hiram G. Andrews Center in Johnstown, which provides comprehensive evaluation services, academic and vocational training, and assistive technology to the Office of Vocational Rehabilitation consumers. In addition, this transfer would better position the Bureau of Blindness and Visual Services to draw upon the resources of the Team Pennsylvania Career Link, the one stop system for seamless access to employment, training and skill development opportunities. The administrative structure of the Bureau of Blindness and Visual Services would also be enhanced due to the extensive support services available through the Office of Vocational Rehabilitation Services. Over the longer-term, the Office of Vocational Rehabilitation Services would work with consumers and providers to develop recommendations to improve, refocus and revitalize services provided to individuals who are blind or visually impaired.

Program Revision: Expanding Home and Community-Based Opportunities for Persons with Disabilities (continued)

To further support opportunities for individuals with disabilities, this budget also provides \$100,000 to the Department of Community and Economic Development to expand the Assistive Technology Loan Guarantee Program.

Please see the Program Revision following the Business and Job Development Program in the Department of Community and Economic Development for additional information.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Additional persons receiving community mental retardation services Program Revision	0	0	671	671	671	671	671
Persons with mental retardation receiving additional day and support services Program Revision	0	0	1,826	1,826	1,826	1,826	1,826
Additional persons with disabilities receiving home and community-based services Program Revision	0	0	124	124	124	124	124
Additional older Pennsylvanians receiving alternatives to nursing home care Program Revision	0	0	825	2,728	3,000	3,000	3,000

Program Revision Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

GENERAL FUND PUBLIC WELFARE		In addition, this budget provides: \$18,638,000 in Federal funds to expand services for persons with mental retardation, including a new Medicaid waiver program; \$3,669,000 in new and existing Federal and Other funds to expand services for persons with disabilities, including traumatic brain injury and autism; \$547,000 in Federal and Other funds to provide services to individuals who are ventilator dependent; \$1,819,000 in Federal and Other funds to expand home and community-based services for older Pennsylvanians; and, \$2,750,000 in new and existing Other funds to provide information and financial assistance for home modifications and home ownership. This budget also proposes to transfer the Bureau of Blindness and Visual Services from the Department of Public Welfare to the Department of Labor and Industry to improve services for persons who are blind or visually impaired.
\$ 7,325	Community Mental Retardation Services —to provide home and community-based services for 671 additional persons with mental retardation.	
\$ 61	General Government Operations —to provide administrative support for home and community-based services for 114 persons with disabilities, including traumatic brain injury and autism.	
\$ 18	County Administration — Statewide —to provide administrative support for home and community-based services for ten persons who are ventilator dependent.	
\$ 7,404	Program Revision Total	

Recommended Program Revision Costs by Appropriation: (Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Public Welfare							
General Government Operations	\$ 0	\$ 0	\$ 61	\$ 70	\$ 72	\$ 73	\$ 75
County Administration — Statewide	0	0	18	23	24	25	26
State Centers for the Mentally Retarded	0	0	0	-5,406	-5,568	-5,735	-5,907
Community Mental Retardation Services	0	0	7,325	16,043	16,043	16,043	16,043
Community and Economic Development							
Housing and Redevelopment Authority	0	0	0	2,000	2,000	2,000	2,000
GENERAL FUND TOTAL	\$ 0	\$ 0	\$ 7,404	\$ 12,730	\$ 12,571	\$ 12,406	\$ 12,237



DEPARTMENT OF REVENUE

The Department of Revenue 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.

The department also administers the State Lottery and the Lottery funded Property Tax and Rent Assistance Program.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 108,186	\$ 119,091 ^a	\$ 121,064
(A)Cigarette Fines and Penalties.....	23	15	15
(A)Cigarette Tax Enforcement.....	888	818	817
(A)Services to Special Funds.....	7,477	7,708	7,823
(A)EDP and Staff Support.....	7,938	6,697	5,772
(A)Tax Information.....	186	185	185
(A)Private Letter Valuation Charges.....	7	0	0
(A)Local Sales Tax.....	2,317	2,320	2,309
(A)Small Games of Chance.....	218	218	218
(A)Tax Amnesty.....	1,167	0	0
Commissions - Inheritance & Realty Transfer Taxes (EA).....	6,572	6,270 ^b	6,368
Computer Acquisitions.....	875	711	711
Subtotal - State Funds.....	\$ 115,633	\$ 126,072	\$ 128,143
Subtotal - Augmentations.....	20,221	17,961	17,139
Total - General Government.....	\$ 135,854	\$ 144,033	\$ 145,282
<i>Grants and Subsidies:</i>			
Distribution of Public Utility Realty Tax.....	\$ 157,644	\$ 163,971	\$ 136,700
STATE FUNDS.....	\$ 273,277	\$ 290,043	\$ 264,843
AUGMENTATIONS.....	20,221	17,961	17,139
GENERAL FUND TOTAL.....	\$ 293,498	\$ 308,004	\$ 281,982
MOTOR LICENSE FUND:			
<i>General Government:</i>			
Collections - Liquid Fuels Tax (EA).....	\$ 11,467	\$ 12,053	\$ 12,309
(A)Fuel Tax Enforcement.....	42	25	0
(A)International Fuel Tax Agreement.....	43	25	0
Subtotal - State Funds.....	\$ 11,467	\$ 12,053	\$ 12,309
Subtotal - Augmentations.....	85	50	0
Total - General Government.....	\$ 11,552	\$ 12,103	\$ 12,309
<i>Refunds:</i>			
Refunding Liquid Fuels Tax (EA).....	\$ 3,712	\$ 3,500	\$ 6,000
STATE FUNDS.....	\$ 15,179	\$ 15,553	\$ 18,309
AUGMENTATIONS.....	85	50	0
MOTOR LICENSE FUND TOTAL.....	\$ 15,264	\$ 15,603	\$ 18,309
LOTTERY FUND:			
<i>General Government:</i>			
General Operations (EA).....	\$ 50,997 ^c	\$ 48,460	\$ 45,215
(A)License Fees.....	106	15	120
(A)Telephone Lines.....	4,773	5,164	0
(A)Sale of Automobiles.....	7	0	0
(A)Winning Number Line.....	123	180	120
(A)Annuity Assignment Fees.....	58	4	40
On-Line Vendor Commissions (EA).....	22,260	28,363	36,698
Instant Vendor Commissions (EA).....	10,951 ^d	10,162	9,982
Personal Income Tax for Lottery Prizes (EA).....	23,520	24,416	24,529
Payment of Prize Money (EA).....	165,928	184,417	198,105

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Subtotal - State Funds.....	\$ 273,656	\$ 295,818	\$ 314,529
Subtotal - Augmentations.....	5,067	5,363	280
Total - General Government.....	\$ 278,723	\$ 301,181	\$ 314,809
Grants and Subsidies:			
Property Tax & Rent Assistance for Older Pennsylvanians(EA).....	\$ 83,457	\$ 83,300	\$ 80,000
STATE FUNDS.....	\$ 357,113	\$ 379,118	\$ 394,529
AUGMENTATIONS.....	5,067	5,363	280
LOTTERY FUND TOTAL.....	\$ 362,180	\$ 384,481	\$ 394,809
RACING FUND:			
<i>General Government:</i>			
Collections - Racing (EA).....	\$ 204	\$ 209	\$ 216
RACING FUND TOTAL.....	\$ 204	\$ 209	\$ 216
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 273,277	\$ 290,043	\$ 264,843
SPECIAL FUNDS.....	372,496	394,880	413,054
AUGMENTATIONS.....	25,373	23,374	17,419
TOTAL ALL FUNDS.....	\$ 671,146	\$ 708,297	\$ 695,316

^a Includes \$135,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Includes recommended supplemental appropriation of \$423,000.

^c Actually appropriated as \$61,948,000 for General Operations. Excludes \$10,951,000 transferred to Instant Vendor Commissions.

^d Actually appropriated as part of \$61,948,000 for General Operations.

Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
REVENUE COLLECTION AND ADMINISTRATION							
GENERAL FUND.....	\$ 115,633	\$ 126,072	\$ 128,143	\$ 130,675	\$ 133,258	\$ 135,181	\$ 137,867
SPECIAL FUNDS.....	289,039	311,580	333,054	335,933	339,739	359,302	393,951
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	25,373	23,374	17,419	17,765	18,120	18,482	18,853
SUBCATEGORY TOTAL.....	\$ 430,045	\$ 461,026	\$ 478,616	\$ 484,373	\$ 491,117	\$ 512,965	\$ 550,671
COMMUNITY DEVELOPMENT AND PRESERVATION							
GENERAL FUND.....	\$ 157,644	\$ 163,971	\$ 136,700	\$ 139,600	\$ 142,600	\$ 74,600	\$ 76,200
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.....	\$ 157,644	\$ 163,971	\$ 136,700	\$ 139,600	\$ 142,600	\$ 74,600	\$ 76,200
HOMEOWNERS AND RENTERS ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	83,457	83,300	80,000	79,000	78,000	77,000	76,000
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 83,457	\$ 83,300	\$ 80,000	\$ 79,000	\$ 78,000	\$ 77,000	\$ 76,000
ALL PROGRAMS:							
GENERAL FUND.....	\$ 273,277	\$ 290,043	\$ 264,843	\$ 270,275	\$ 275,858	\$ 209,781	\$ 214,067
SPECIAL FUNDS.....	372,496	394,880	413,054	414,933	417,739	436,302	469,951
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	25,373	23,374	17,419	17,765	18,120	18,482	18,853
DEPARTMENT TOTAL.....	\$ 671,146	\$ 708,297	\$ 695,316	\$ 702,973	\$ 711,717	\$ 664,565	\$ 702,871



PROGRAM OBJECTIVE: To assure the availability of resources for the Commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.

Program: Revenue Collection and Administration

This program administers the Commonwealth's revenue statutes by assessing and collecting various taxes. Major revenue sources for the General Fund include corporation, personal income, inheritance, sales and use, cigarette, beverage and realty transfer taxes. Tax revenue is also collected from the first and second class county sales taxes and for the Motor License and Racing 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 is adding automated processes that assist taxpayers in filing accurately and more efficiently such as the Pennsylvania Tax Information Data Exchange System (PA TIDES), the Electronic Data

Interchange (EDI) Tax Filing Program, and Telefile. This has permitted the department to keep the cost of collection under \$.90 for every \$100 collected.

To ensure fairness in tax administration, the department audits and verifies tax returns to detect fraud and non-filers. In addition, there is extensive delinquent tax collection effort that involves automation as well as traditional tax collection methods.

This program is responsible for the administration of the State Lottery. Through a network of private retailers, the Commonwealth sells lottery tickets, the proceeds of which support programs for older Pennsylvanians.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Collections from delinquent accounts (in millions)	\$481	\$505	\$530	\$556	\$584	\$613	\$644
Amounts due as a result of audit assessments (in millions)	\$110	\$121	\$127	\$133	\$140	\$147	\$154
Personal Income Tax: Returns Processed	5,797,000	5,844,000	5,892,000	5,939,000	5,988,000	6,036,000	6,085,000
Corporation Taxes Settlement Time:							
Tax Liabilities Less than \$10,000							
Settled in 9 months or less	31,006	50,000	91,500	110,000	200,000	249,250	250,500
Settled in 10 months or longer	208,055	190,000	151,500	134,250	46,200	0	0
Tax Liabilities \$10,000 - \$50,000							
Settled in 9 months or less	115	2,500	3,000	5,000	12,500	13,000	13,500
Settled in 10 to 13 months	10,446	10,000	9,000	8,000	1,000	0	0
Tax Liabilities Greater than \$50,000							
Settled in 9 months or less	112	1,000	2,000	3,750	5,000	5,750	6,000
Settled in 10 to 13 months	4,742	3,750	3,000	1,500	500	0	0
Returns requiring manual processing	37,302	36,000	34,750	33,500	32,300	31,000	30,000
Total Settled Accounts	291,778	293,250	294,750	296,000	297,500	299,000	300,000
Total Active Accounts	283,873	284,100	284,300	284,500	284,700	284,900	285,100
Lottery operating costs as a percent of ticket sales	4.64%	4.76%	5.04%	5.08%	5.12%	5.01%	4.83%

Amounts due as a result of audit assessments decreased from those shown in last year's budget based on actual figures which did not meet expectations.

Corporation tax accounts settled in nine months or less increased compared to those shown in last year's budget because newly implemented automated systems improved the processing time.

Corporation tax accounts settled in ten months or more decreased in the current year and future years compared to those shown in last year's budget due to processing procedure improvements.

Corporation tax accounts manual settlements decreased in the current year and future years compared to those shown in last year's budget due to newly implemented automated systems.

Lottery operating costs as a percent of ticket sales increase from those shown in last year's budget due to decreased ticket sales.

Program: Revenue Collection and Administration (continued)

Program Recommendation:

This budget recommends the following changes: (Dollar Amounts in Thousands)

	GENERAL FUND		
	General Government Operations	\$	700
\$ -1,890	—nonrecurring Year 2000 implementation costs.		
-250	—nonrecurring imaging implementation costs.	1,182	On-Line Vendor Commissions (EA)
175	—Internet filing capability for personal income tax.	1,200	—EDP services transferred from General Operations.
250	—dynamic modeling study for electric de-regulation.	5,253	—telecommunications costs transferred from General Operations.
435	—Keystone Opportunity Zone implementation.	\$ 8,335	—instant vending machine maintenance transferred from General Operations.
3,253	—to continue current program.		—to continue current program.
\$ 1,973	<i>Appropriation Increase</i>		<i>Appropriation Increase</i>
	Commissions — Inheritance & Realty Transfer Taxes (EA)	\$	-180
\$ 98	—to continue current program.		Instant Vendor Commissions (EA)
		\$	113
			—based on estimated sales.
	MOTOR LICENSE FUND	\$	13,688
\$ 256	Collections — Liquid Fuels Tax (EA)		Personal Income Tax for Lottery Prizes (EA)
	—to continue current program.		—to continue current program.
	Refunding Liquid Fuels Tax (EA)	\$	7
\$ 2,500	—to continue current program.		Payment of Prize Money (EA)
			—to continue current program.
			RACING FUND
			Collections — Racing (EA)
			—to continue current program.
	LOTTERY FUND		
	General Operations (EA)		
\$ -1,200	—instant vending machine maintenance transferred to On-Line Commissions.		
-1,182	—telecommunications costs transferred to On-Line Commissions.		
-700	—EDP services transferred to On-Line Commissions.		
-250	—nonrecurring imaging implementation costs.		
-38	—nonrecurring operating expenses.		
125	—increased number of sales locations for better player access.		
\$ -3,245	<i>Appropriation Decrease</i>		

Computer Acquisitions is recommended at the current year funding level.



Includes accomplishment of the PRIME recommendation to implement a new Telefile system. The Department of Revenue enables Pennsylvanians to file their taxes via the telephone saving them time and money.

Appropriations within this Program:

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 108,186	\$ 119,091	\$ 121,064	\$ 123,485	\$ 125,955	\$ 128,474	\$ 131,043
Commissions — Inheritance & Realty							
Transfer Taxes (EA)	6,572	6,270	6,368	6,479	6,592	6,707	6,824
Computer Acquisitions	875	711	711	711	711	0	0
TOTAL GENERAL FUND	\$ 115,633	\$ 126,072	\$ 128,143	\$ 130,675	\$ 133,258	\$ 135,181	\$ 137,867
MOTOR LICENSE FUND:							
Collections — Liquid Fuels Tax (EA)	\$ 11,467	\$ 12,053	\$ 12,309	\$ 12,555	\$ 12,806	\$ 13,062	\$ 13,323
Refunding Liquid Fuels Tax (EA)	3,712	3,500	6,000	5,100	5,200	5,300	5,400
TOTAL MOTOR LICENSE FUND	\$ 15,179	\$ 15,553	\$ 18,309	\$ 17,655	\$ 18,006	\$ 18,362	\$ 18,723



Program: Revenue Collection and Administration (continued)

Appropriations within this Program: (continued)

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
LOTTERY FUND:							
General Operations (EA)	\$ 50,997	\$ 48,460	\$ 45,215	\$ 46,119	\$ 47,041	\$ 47,982	\$ 48,942
On-Line Vendor Commissions (EA)	22,260	28,363	36,698	36,967	37,231	39,236	42,932
Instant Vendor Commissions (EA)	10,951	10,162	9,982	10,176	10,274	11,197	12,695
Personal Income Tax for Lottery							
Prizes (EA)	23,520	24,416	24,529	24,778	25,021	26,743	29,902
Payment of Prize Money (EA)	165,928	184,417	198,105	200,018	201,942	215,554	240,524
TOTAL LOTTERY FUND	\$ 273,656	\$ 295,818	\$ 314,529	\$ 318,058	\$ 321,509	\$ 340,712	\$ 374,995
RACING FUND:							
Collections — Racing (EA)	\$ 204	\$ 209	\$ 216	\$ 220	\$ 224	\$ 228	\$ 233

PROGRAM OBJECTIVE: To equitably distribute the public utility realty tax to all reporting local taxing authorities.

Program: Community Development and Preservation

A 1968 amendment to the State Constitution exempted public utilities from locally administered property taxes and authorized the collection of a similar Statewide tax known as the Public Utility Realty Tax. The proceeds of the tax are distributed to each local taxing authority thereby providing local revenue while insuring 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 Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Taxing authorities receiving funds	3,058	3,058	3,075	3,075	3,075	3,075	3,075

Program Recommendation:

 This budget recommends the following changes: (Dollar Amounts in Thousands)

	Distribution of Public Utility Realty Tax	
\$ 14,029	—to continue current program.	
<u>—41,300</u>	—nonrecurring facility assessment appeal.	
\$ -27,271	<i>Appropriation Decrease</i>	

Appropriations within this Program:

 (Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Distribution of Public Utility Realty Tax	\$ 157,644	\$ 163,971	\$ 136,700	\$ 139,600	\$ 142,600	\$ 74,600	\$ 76,200



PROGRAM OBJECTIVE: To increase economic stability by assisting eligible Pennsylvania citizens to maintain their homes.

Program: Homeowners and Renters Assistance

This program allows older Pennsylvanians, surviving spouses over 50 and permanently disabled citizens to lead fuller lives by restoring a portion of their income through property tax and rent rebate assistance.

Act 53 of 1985 set the income ceiling for program eligibility at \$15,000 per household. The assistance declines from a maximum benefit of 100 percent of the tax or \$500 whichever is less. In 1997-98, the average tax assistance payment was \$244.06 and the average rent rebate was \$278.54.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Households provided property tax or rent assistance	318,086	305,363	299,256	293,271	287,405	281,657	276,024

Program Recommendation: This budget recommends the following changes: (Dollar Amounts in Thousands)

Property Tax & Rent Assistance for Older Pennsylvanians (EA)
 \$ -3,300 —decreased demand based on actual participation.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
LOTTERY FUND:							
Property Tax & Rent Assistance for Older Pennsylvanians(EA)	\$ 83,457	\$ 83,300	\$ 80,000	\$ 79,000	\$ 78,000	\$ 77,000	\$ 76,000





SECURITIES COMMISSION

The Securities Commission oversees the State controlled securities industry to ensure compliance with Commonwealth statutes.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 2,135	\$ 2,074 ^a	\$ 2,140
(A)Consumer Protection.....	3,008	3,331	3,627
Subtotal - State Funds.....	\$ 2,135	\$ 2,074	\$ 2,140
Subtotal - Augmentations.....	3,008	3,331	3,627
Total - General Government.....	\$ 5,143	\$ 5,405	\$ 5,767
STATE FUNDS.....	\$ 2,135	\$ 2,074	\$ 2,140
AUGMENTATIONS.....	3,008	3,331	3,627
GENERAL FUND TOTAL.....	\$ 5,143	\$ 5,405	\$ 5,767

^a Includes \$3,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
SECURITIES INDUSTRY REGULATION							
GENERAL FUND.....	\$ 2,135	\$ 2,074	\$ 2,140	\$ 2,183	\$ 2,227	\$ 2,272	2,317
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	3,008	3,331	3,627	3,700	3,774	3,849	3,926
SUBCATEGORY TOTAL.....	\$ 5,143	\$ 5,405	\$ 5,767	\$ 5,883	\$ 6,001	\$ 6,121	6,243
ALL PROGRAMS:							
GENERAL FUND.....	\$ 2,135	\$ 2,074	\$ 2,140	\$ 2,183	\$ 2,227	\$ 2,272	2,317
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	3,008	3,331	3,627	3,700	3,774	3,849	3,926
DEPARTMENT TOTAL.....	\$ 5,143	\$ 5,405	\$ 5,767	\$ 5,883	\$ 6,001	\$ 6,121	6,243



Securities Commission

PROGRAM OBJECTIVE: To reduce fraud and to protect public investors involved in securities transactions as well as to facilitate legitimate capital formation in the State.

Program: Securities Industry Regulation

The primary function of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the Commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry.

The commission protects the investing public through the registration and regulation of salespersons and companies dealing in securities. It also issues cease and desist orders to persons and corporations attempting to sell securities without approval, as well as pursuing prosecution of violators of the Pennsylvania Securities Act.

The commission works with other State, Federal and independent regulatory agencies and the various stock exchanges to develop uniform filing requirements to eliminate duplicative State and Federal examination and registration requirements. The commission is increasing the use of information technology to monitor the offering and sale of securities via electronic means. Fees collected from the securities industry support compliance and enforcement activities, as well as a portion of ongoing operations of the commission.

Program Measures:

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Dollar amounts of securities cleared for sale (trillions):	\$126	\$126	\$126	\$126	\$126	\$126	\$126
Formal investigations conducted	234	254	255	265	285	300	305
Securities filings received	5,048	5,000	5,000	5,000	5,000	5,000	5,000
Securities filings cleared	4,380	4,300	4,300	4,300	4,300	4,300	4,300
Broker-dealers registered	2,406	2,478	2,552	2,829	2,914	3,000	3,090
Agents registered	120,454	124,068	127,790	131,623	135,572	139,639	143,828
Investment advisers registered	1,080	1,188	1,307	1,437	1,581	1,739	1,913
Investment adviser representatives registered	1,942	2,039	2,141	2,248	2,361	2,479	2,602

Securities filings cleared for sale decreases from the projections shown in last year's budget because of the Federal National Securities Marketplace Improvement Act which eliminated the need for mutual funds to re-register every year.

Investment adviser representatives registered (shown as associated persons in last year's budget) decrease from the projections shown in last year's budget because of the enactment of the Federal National Securities Marketplace Improvement Act which exempted from registration those investment adviser representatives who do not work in or do business in Pennsylvania.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 66 **General Government Operations**
—to continue current program.

This budget also recommends \$147,000 in augmenting funds for an expanded compliance, examination and enforcement program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,135	\$ 2,074	\$ 2,140	\$ 2,183	\$ 2,227	\$ 2,272	\$ 2,317





DEPARTMENT OF STATE

The Department of State compiles, publishes and certifies all election ballots and returns; monitors campaign expense reports; issues all commissions to elected and appointed officials; records all laws passed by the General Assembly and proclamations issued by the Governor; administers corporate and selected noncorporate business laws; administers the professional and occupational licensing boards; and regulates solicitation activities, boxing and wrestling matches.

The Department of State is administered by the Secretary of the Commonwealth and includes the State Athletic Commission, the Bureau of Charitable Organizations, the Bureau of Commissions, Elections and Legislation, the Corporation Bureau and 27 professional and occupational licensing boards.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
	General Government Operations.....	\$ 398

This Program Revision provides information technology support for the collection, dissemination and public disclosure of campaign finance data. In addition, \$1.3 million in augmentations is provided for information technology to make professional licensing information available to the public. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.

Department Total.....	\$	398
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Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 2,181	\$ 2,750 ^a	\$ 3,066
(A)Registration of Charitable Organizations.....	471	0	0
(A)Departmental Services.....	0 ^b	0 ^b	0 ^b
(R)Professional and Occupational Affairs.....	14,903 ^c	16,449 ^c	17,649 ^c
(R)State Board of Medicine.....	2,851 ^c	2,936 ^c	3,035 ^c
(R)State Board of Medicine Operations Loan.....	300 ^c	0	0
(R)State Board of Osteopathic Medicine.....	428 ^c	470 ^c	494 ^c
(R)State Board of Podiatry.....	143 ^c	158 ^c	161 ^c
(R)State Athletic Commission.....	282 ^c	305 ^c	317 ^c
(R)Corporation Bureau (EA).....	3,361 ^d	3,433 ^d	5,374 ^d
Subtotal.....	\$ 24,920	\$ 26,501	\$ 30,096
Voter Registration.....	924	933	957
Publishing Constitutional Amendments (EA).....	800	1,855 ^e	600
Subtotal - State Funds.....	\$ 3,905	\$ 5,538	\$ 4,623
Subtotal - Augmentations.....	471	0	0
Subtotal - Restricted Revenues.....	22,268	23,751	27,030
Total - General Government.....	\$ 26,644	\$ 29,289	\$ 31,653
<i>Grants and Subsidies:</i>			
Voting of Citizens in Military Service.....	\$ 8	\$ 8	\$ 8
County Election Expenses (EA).....	0	97	0
Total - Grants and Subsidies.....	\$ 8	\$ 105	\$ 8
STATE FUNDS.....	\$ 3,913	\$ 5,643	\$ 4,631
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	471	0	0
RESTRICTED REVENUES.....	22,268	23,751	27,030
GENERAL FUND TOTAL.....	\$ 26,652	\$ 29,394	\$ 31,661
OTHER FUNDS:			
REAL ESTATE RECOVERY FUND:			
Real Estate Recovery Payments (EA).....	\$ 94	\$ 300	\$ 300
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 3,913	\$ 5,643	\$ 4,631
SPECIAL FUNDS.....	0	0	0
AUGMENTATIONS.....	471	0	0
RESTRICTED.....	22,268	23,751	27,030
OTHER FUNDS.....	94	300	300
TOTAL ALL FUNDS.....	\$ 26,746	\$ 29,694	\$ 31,961

^a Includes \$4,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Not added to the total to avoid double counting: 1997-98 Actual is \$2,794,000, 1998-99 Available is \$3,279,000, and 1999-00 Budget is \$3,456,000.

^c Appropriated from a restricted revenue account.

^d Executive Authorization from a restricted revenue account.

^e Includes recommended supplemental executive authorization of \$800,000.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
CONSUMER PROTECTION							
GENERAL FUND.....	\$ 3,913	\$ 5,643	\$ 4,631	\$ 5,149	\$ 5,231	\$ 5,336	\$ 5,443
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	22,833	24,051	27,330	24,504	24,988	25,482	25,986
SUBCATEGORY TOTAL.....	\$ 26,746	\$ 29,694	\$ 31,961	\$ 29,653	\$ 30,219	\$ 30,818	\$ 31,429
ALL PROGRAMS:							
GENERAL FUND.....	\$ 3,913	\$ 5,643	\$ 4,631	\$ 5,149	\$ 5,231	\$ 5,336	\$ 5,443
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	22,833	24,051	27,330	24,504	24,988	25,482	25,986
DEPARTMENT TOTAL.....	\$ 26,746	\$ 29,694	\$ 31,961	\$ 29,653	\$ 30,219	\$ 30,818	\$ 31,429

PROGRAM OBJECTIVE: To protect the consumer from fraudulent solicitation and unqualified professional and occupational practitioners and establishments.

Program: Consumer Protection

The Department of State administers several program elements within the Consumer Protection Program.

Program Element: Protection of the Electoral Process

This program element is directed towards insuring efficiency, honesty and uniformity in the administration of the Election Code. Nomination petitions for Statewide and legislative offices are reviewed for compliance with statutory standards and are processed for inclusion on the ballot. Campaign expense reports are filed and reviewed as required by the Election Code. 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 9,464 election precincts.

The National Voter Registration Act mandated that the states implement a variety of voter registration reforms by January 1, 1995, including integrating voter registration into driver's license applications, offering agency based registration as well as mail-in registration, and revised criteria for removal from voter rolls. Act 25 of 1995, the Pennsylvania Voter Registration Act, puts the Commonwealth in compliance with the Federal mandate.

Other functions in this program include commissioning gubernatorial appointees to boards and commissions, and preparing commissions for judges, justices of the peace and notaries public as well as enforcement of the Notary Public Law. In addition, extraditions are prepared for the Governor and bond issues for the Commonwealth are processed. Finally, a record of all legislation passed by the General Assembly is maintained by docketing the bills and assigning act numbers.

Program Element: Protection of Professional Licensing

The focus of this program element is on assuring acceptable professional and technical services to the Commonwealth's residents. To accomplish this, twenty-seven boards of the Bureau of Professional and Occupational Affairs (BPOA) 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 utilized in controlling the quality of practitioners include regulating education, experience and degree of technical expertise demonstrated through applications and subsequent written examination and/or demonstrated practical ability. Requirements for continuing

education also serve as a means of meeting the constantly changing developments in the various professions and occupations.

Act 124 of 1978 created a restricted Professional Licensure Augmentation Account (PLAA) enabling this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus, the bureau operates entirely out of restricted funds, considered for budgetary purposes as Other funds, rather than from a General Fund appropriation.

After experience with the PLAA concept and the current exposure to the sunset review process, it has been determined that each individual board must take steps to equalize revenues with expenditures over each two-year period by adjusting license fees where required. The methodology to accomplish this task is in place and fee adjustment packages are being submitted.

Program Element: Regulation of Consumer Products and Promotion of Fair Business Practices

This program element encompasses the activities of the Corporation Bureau, the Bureau on Charitable Organizations and the State Athletic Commission.

The Corporation Bureau is responsible for both profit and nonprofit businesses incorporation filings and submission of Uniform Commercial Code (UCC) filings. There are approximately 1.9 million corporate entities in the database and the bureau processes approximately 32,395 new corporations annually. It also registers approximately 24,300 trademarks and fictitious names as well as 137,030 UCC filings annually. The primary goals of the Corporation Bureau are to make the registration process as efficient as possible and to enhance public access in order to promote a more favorable business climate within the Commonwealth.

Act 198 of 1990 established a restricted account with funding levels to be executively authorized by the Governor to fund the Corporation Bureau.

The Bureau on Charitable Organizations is responsible for the registration of charitable organizations, professional fund raisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds. The major objective of the bureau is to increase the awareness and understanding of the Charitable Solicitations Act among Pennsylvania consumers and charitable organizations.

Act 55 of 1997 increased the number of charities required to register with the Department of State from 5,600 to over 21,000. The act also established a system of mandatory arbitration to resolve complaints of unfair competition filed by small businesses against charities.



Program: Consumer Protection (continued)

The State Athletic Commission monitors and regulates all professional and amateur boxing and kickboxing, amateur wrestling contests, and the licensing of all persons who participate in these events. There are eleven categories of licenses issued by the Athletic Commission. These

categories include announcer, boxer, judge, manager, matchmaker, physician, promoter (including those promoting professional wrestling), referee, second, timekeeper and trainer.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Voter registration transactions.....	1,400,000	1,200,000	1,200,000	1,200,000	1,000,000	900,000	800,000
Professional licenses and renewals issued....	427,819	400,000	400,000	400,000	400,000	400,000	400,000
Disciplinary actions by boards	1,289	1,300	1,350	1,400	1,400	1,450	1,450
Case files closed (BPOA)	5,088	5,000	5,100	5,100	5,100	5,100	5,100
Case files opened (BPOA)	5,043	4,900	4,900	5,000	5,000	5,000	5,000
Uniform Commercial Code financing statement filings and information requests fulfilled	159,000	159,000	159,000	159,000	159,000	159,000	159,000
Charity registrations	5,800	21,000	21,000	21,000	21,000	21,000	21,000
Open charities investigations	584	550	550	555	560	565	570
Closed charities investigations	156	250	300	305	310	315	315
Reviews of fictitious names, business corporations, trademark applications	127,000	247,000	180,000	180,000	180,000	180,000	180,000

Voter registration transactions were higher than estimated in last year's budget due to greater effectiveness in voter registration campaigns and increased voter interest.

Disciplinary actions by boards were higher than expected in last year's budget due to increased investigations and prosecutions.

Charity registrations were less than estimated in last year's budget due to a smaller increase than expected from the impact of Act 55 of 1997.

Open charities investigations were less than estimated in last year's budget due to delays in implementing Act 55 of 1997.

Charities investigations closed were higher than estimated in last year's budget due to increased productivity.

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>\$ -145 General Government Operations —nonrecurring projects. 63 —to continue current program. 398 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology for the electronic management and dissemination of campaign finance information. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.</p> <hr/> <p>\$ 316 <i>Appropriation Increase</i></p>	<p>\$ 24 Voter Registration —to continue current program.</p> <p>\$ -1,255 Publishing Constitutional Amendments (EA) —nonrecurring advertisements.</p> <p>\$ -97 County Election Expenses (EA) —nonrecurring costs.</p> <p>Voting of Citizens in Military Service is recommended at the current year funding level.</p>
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Program: Consumer Protection (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

In addition, this budget recommends the following changes in the Bureau of Professional and Occupational Affairs for the Professional Licensure Augmentation Account (PLAA) as well as for the State Boards of Medicine, Osteopathic Medicine, Podiatry, the State Athletic Commission, and the Corporation Bureau.

Professional and Occupational Affairs
 \$ -200 —nonrecurring telephone system upgrades.
 -186 —nonrecurring computer equipment.
 -300 —nonrecurring legal office costs.
 714 —to continue current program.
 1,172 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to develop and disseminate professional licensing records for improved public access and customer service. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.

\$ 1,200 *Appropriation Increase*

State Board of Medicine
 \$ -57 —nonrecurring projects.
 45 —to continue current program.
 111 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to develop and disseminate professional licensing records for improved public access and customer service. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.

\$ 99 *Appropriation Increase*

State Board of Osteopathic Medicine
 \$ 10 —to continue current program.
 14 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to develop and disseminate professional licensing records for improved public access and customer service. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.

\$ 24 *Appropriation Increase*

State Board of Podiatry
 \$ 3 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to develop and disseminate professional licensing records for improved public access and customer service. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.

\$ 12 **State Athletic Commission**
 —to continue current program.

Corporation Bureau
 \$ -132 —nonrecurring costs.
 73 —to continue current program.
 2,000 —Initiative—Decennial Corporate Census. To conduct a decennial census of corporations, partnerships, fictitious name registrants, and associations of record.

\$ 1,941 *Appropriation Increase*

Recommendations assume that fees for all boards will be sufficient to fund the recommended expenditure level.



Includes the accomplishment of the PRIME recommendation to implement changes to accessing campaign finance information. The department installed a new innovative system to allow access to campaign finance information. Today, anyone with access to the internet either at a library, home, or school can obtain finance reports 24 hours a day 7 days a week.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 2,181	\$ 2,750	\$ 3,066	\$ 3,533	\$ 3,603	\$ 3,676	\$ 3,750
Voter Registration	924	933	957	976	996	1,016	1,036
Publishing Constitutional Amendments (EA)	800	1,855	600	612	624	636	649
Electoral College	0	0	0	8	0	0	0
Voting of Citizens in Military Service	8	8	8	20	8	8	8
County Election Expenses (EA)	0	97	0	0	0	0	0
TOTAL GENERAL FUND	\$ 3,913	\$ 5,643	\$ 4,631	\$ 5,149	\$ 5,231	\$ 5,336	\$ 5,443





STATE EMPLOYEES' RETIREMENT SYSTEM

The State Employees' Retirement System is responsible for administering the State Employees' Retirement Fund and the supplemental retirement allowances and cost-of-living increases for annuitants. The system also administers the Commonwealth Deferred Compensation program.

State Employees' Retirement System

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>Grants and Subsidies:</i>			
National Guard - Employer Contribution.....	\$ 15	\$ 15	\$ 15
GENERAL FUND TOTAL.....	\$ 15	\$ 15	\$ 15
OTHER FUNDS:			
STATE EMPLOYES' RETIREMENT FUND:			
State Employees' Retirement Administration.....	\$ 18,335	\$ 18,386	\$ 20,068
Directed Commissions.....	0	903	1,000
STATE EMPLOYES' RETIREMENT FUND TOTAL.....	\$ 18,335	\$ 19,289	\$ 21,068
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 15	\$ 15	\$ 15
SPECIAL FUNDS.....	0	0	0
OTHER FUNDS.....	18,335	19,289	21,068
TOTAL ALL FUNDS.....	\$ 18,350	\$ 19,304	\$ 21,083

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
STATE EMPLOYEES' RETIREMENT							
GENERAL FUND.....	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	15
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	18,335	19,289	21,068	21,185	21,416	21,344	21,780
SUBCATEGORY TOTAL.....	\$ 18,350	\$ 19,304	\$ 21,083	\$ 21,200	\$ 21,431	\$ 21,359	\$ 21,795
ALL PROGRAMS:							
GENERAL FUND.....	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	15
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	18,335	19,289	21,068	21,185	21,416	21,344	21,780
DEPARTMENT TOTAL.....	\$ 18,350	\$ 19,304	\$ 21,083	\$ 21,200	\$ 21,431	\$ 21,359	\$ 21,795



State Employees' Retirement System

PROGRAM OBJECTIVE: To provide an effective administrative system for the operation of the retirement system for State employees.

Program: State Employees' Retirement

The State Employees' Retirement System was established to administer the pension system created in 1924. Contributions by the employees and the employing agencies are made to the State Employees' Retirement Fund that uses those moneys and interest earnings for payment of annuities and disability benefits and for administration of the system. The State Employees' Retirement Fund is shown in the Special Funds Appendix.

The net assets available for benefits are in excess of \$24 billion dollars. The system is funded in accordance with accepted actuarial standards; the funding is reviewed annually by a contracted actuarial firm and an experience review is completed every five years.

The greatest source of current income to the system is earnings from investments. Payments from member employers are the second major source of income. The contribution rate for employers is established annually by the board upon the recommendation of the actuary.

Employer contributions differ in accordance with the class of employees for which they are contributing. There is additional cost for employees in safety positions, the Legislature and the Judiciary. Member contributions are the third source of income. Current members contribute five percent of pay to the system.

Normal retirement from the system is at age 60, age 50 for safety employees and members of the Legislature, or at any age with 35 years of service. Retirement before those times is possible after ten years of service but is actuarially reduced to the equivalent of the annuity which would have been payable at superannuation retirement.

The State Employees' Retirement Board is responsible for the administration of the Commonwealth Deferred Compensation Program that allows Commonwealth employees to defer a portion of their salaries to a retirement savings account. The Deferred Compensation Fund is shown in the Special Funds Appendix.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Benefit payments processed.....	6,872	7,000	7,000	7,000	7,000	7,000	7,000
Average processing time for benefit payments (in days).....	12	12	12	12	12	12	12
Return on investment (in millions).....	\$3,779	\$3,690	\$2,707	\$2,149	\$2,262	\$2,380	\$2,501

The increase in the return on investment measure in 1997-98 compared to last year's budget reflects exceptionally strong investment performance in excess of long-term assumptions. The expected returns for 1998-99 through 2000-01 reflect the current economic difficulties in the foreign markets and the subsequent effects upon domestic markets.

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

		STATE EMPLOYES' RETIREMENT FUND
		State Employees' Retirement Administration
\$	1,170	—to continue current program.
	512	—Initiative — Interactive Voice Response System. To establish an interactive voice response system to improve customer service.
\$	1,682	<i>Appropriation Increase</i>

The National Guard — Employer Contribution appropriation is recommended at the current year funding level.

State Employees' Retirement System

Program: State Employees' Retirement (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
National Guard — Employer Contribution ..	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15	\$ 15
	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
 STATE EMPLOYEES' RETIREMENT FUND:							
State Employees' Retirement Administration	\$ 18,335	\$ 18,386	\$ 20,068	\$ 20,165	\$ 20,376	\$ 20,283	\$ 20,698
	<u>18,335</u>	<u>18,386</u>	<u>20,068</u>	<u>20,165</u>	<u>20,376</u>	<u>20,283</u>	<u>20,698</u>



STATE POLICE

The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, enforcement of the Vehicle Code and enforcement of the Liquor Code.

The State Police receive a General Fund appropriation for criminal law enforcement and a Motor License Fund transfer for traffic patrol activities. In 1999-00, the recommended ratio is 32 percent General Fund and 68 percent Motor License Fund. In addition, the State Police receive augmentations from the Turnpike Commission for turnpike patrol and from the State Stores Fund for liquor control enforcement.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Title	Appropriation	1999-00 State Funds (in thousands)
Enhancing Information Technology to Better Serve Pennsylvania		
GENERAL FUND		
	General Government Operations.....	\$ 150
	CLEAN System.....	<u>2,670</u>
	Subtotal.....	\$ 2,820
MOTOR LICENSE FUND		
	CLEAN System.....	\$ 5,675
<p>This Program Revision provides information technology for the improvement of the Uniform Crime Reporting System, to implement the Incident Information Management System, and for information technology to support the Commonwealth Law Enforcement Assistance Network. This is part of the \$91.5 million Enhancing Information Technology to Better Serve Pennsylvania Program Revision. Please see the Program Revision following the Executive Direction Program in the Executive Offices for additional information on this Program Revision.</p>		
	Department Total.....	<u><u>\$ 8,495</u></u>



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1997-98 1998-99 1999-00
ACTUAL AVAILABLE BUDGET

GENERAL FUND:

General Government:

General Government Operations	\$ 119,612	\$ 125,891^a	\$ 125,259
(F)Drug Enforcement.....	135	230 ^b	230
(F)DCSI - Ballistics.....	0	365 ^c	0
(F)DNA Laboratory Improvement.....	261	375	350
(F)Sex Offender Registry.....	0	1,223 ^d	1,222
(F)DCSI - Protection From Abuse.....	139	0	0
(F)DCSI - Robotic DNA Sampling.....	0	150	0
(F)Central Repository Redesign.....	0	800	0
(F)Program Management.....	17	20	20
(F)Motor Carrier Safety.....	1,328	2,735	1,500
(F)DUI Enforcement.....	469	600	600
(F)Safety Education.....	31	42	25
(F)Interstate Highway Enforcement.....	301	300	300
(F)Highway Incident Management.....	19	0	0
(F)Sobriety Test Training.....	24	24	24
(F)Construction Zone Patrolling.....	1,700	2,500	2,500
(F)Criminal Record Improvement.....	254	0	0
(F)Corridor Safety.....	27	150	75
(F)Criminal Records Server.....	105	75	0
(F)Electronic Photo Imaging.....	540	689	150
(F)Criminal Investigation Computers.....	121	32	27
(F)Wiretap Repository.....	577	435	100
(F)Regulatory Checkpoints.....	25	200	200
(F)Occupant Protection.....	0	13	17
(F)CLEAN Probation Link.....	372	397	372
(F)Computerized Identification.....	137	195	230
(F)Cops-in-Shops.....	0	100	100
(F)Combat Underage Drinking.....	0	360	360
(A)Turnpike Commission.....	19,057	19,500	20,500
(A)Sale of Automobiles.....	61	0	0
(A)Criminal History Record Checks.....	4,377	4,500	4,700
(A)Training Fees.....	43	39	39
(A)Miscellaneous Services.....	419	412	482
(A)Criminal History Fees - DPW.....	86	50	100
(A)Police Pursuits.....	23	15	25
(A)Bank Alarm Fees.....	0	60	60
(A)Reimbursement from Municipalities.....	0	0	14,659
(A)Fingerprint Record Checks.....	165	190	190
(A)Registry of Protection.....	94	100	100
(A)Transfer From Motor License Fund.....	0 ^e	0 ^e	0 ^e
Subtotal.....	\$ 150,519	\$ 162,767	\$ 174,516
CLEAN System	2,024	4,010	6,670
(F)CLEAN System Upgrade.....	1,779	0	0
(A)Transfer from Motor License Fund.....	0 ^e	0 ^e	0 ^e
Subtotal.....	\$ 3,803	\$ 4,010	\$ 6,670
Municipal Police Training	3,977	4,403	4,333
(F)Firearms Training Simulator.....	150	0	0
(A)Transfer From Motor License Fund.....	0 ^e	0 ^e	0 ^e
Subtotal.....	\$ 4,127	\$ 4,403	\$ 4,333
Patrol Vehicles	2,825	3,414	3,300
(A)Automobile Sales.....	1,141	1,755	1,695
(A)Transfer From Motor License Fund.....	0 ^e	0 ^e	0 ^e
Subtotal.....	\$ 3,966	\$ 5,169	\$ 4,995
Automated Fingerprint Identification System	512	591	269

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
(F)Criminal History Data.....	0	1,968	413
(F)DCSI-AFIS Upgrade.....	0	800	0
(F)AFIS Livescan.....	200	45	0
(F)Fingerprint Card Scanner.....	0	320	0
(A)AFIS Augmentations.....	0	1,434	0
Subtotal.....	<u>\$ 712</u>	<u>\$ 5,158</u>	<u>\$ 682</u>
Gun Checks.....	0	0	1,000
(R)Firearms Ownership Fund.....	1,124	3,910	3,500
Subtotal.....	<u>\$ 1,124</u>	<u>\$ 3,910</u>	<u>\$ 4,500</u>
Subtotal - State Funds.....	\$ 128,950	\$ 138,309	\$ 140,831
Subtotal - Federal Funds.....	8,711	15,143	8,815
Subtotal - Augmentations.....	25,466	28,055	42,550
Subtotal - Restricted Revenues.....	1,124	3,910	3,500
Total - General Government.....	<u>\$ 164,251</u>	<u>\$ 185,417</u>	<u>\$ 195,696</u>
STATE FUNDS.....	\$ 128,950	\$ 138,309	\$ 140,831
FEDERAL FUNDS.....	8,711	15,143	8,815
AUGMENTATIONS.....	25,466	28,055	42,550
RESTRICTED REVENUES.....	1,124	3,910	3,500
GENERAL FUND TOTAL.....	<u>\$ 164,251</u>	<u>\$ 185,417</u>	<u>\$ 195,696</u>
<u>MOTOR LICENSE FUND:</u>			
<i>General Government:</i>			
General Government Operations.....	\$ 253,791	\$ 267,214	\$ 264,300
CLEAN System.....	4,304	8,116	14,340
Municipal Police Training.....	3,869	4,133	4,333
Patrol Vehicles.....	6,003	7,255	7,150
Subtotal.....	<u>\$ 267,967</u>	<u>\$ 286,718</u>	<u>\$ 290,123</u>
Total - General Government.....	<u>\$ 267,967</u>	<u>\$ 286,718</u>	<u>\$ 290,123</u>
MOTOR LICENSE FUND TOTAL.....	<u>\$ 267,967</u>	<u>\$ 286,718</u>	<u>\$ 290,123</u>
<u>OTHER FUNDS:</u>			
GENERAL FUND:			
Seized/Forfeited Property - Federal.....	\$ 281	\$ 300	\$ 300
State Drug Act Forfeiture Funds - Municipalities.....	10	200	200
State Drug Act Forfeiture Funds - Attorney General.....	672	0	0
State Criminal Enforcement Forfeiture Funds.....	30	10	10
Crime Lab User Fees.....	256	200	200
Auto Theft and Arson Fund.....	1,228	1,173	1,173
Insurance Fraud Prevention.....	0	252	252
GENERAL FUND TOTAL.....	<u>\$ 2,477</u>	<u>\$ 2,135</u>	<u>\$ 2,135</u>
DNA DETECTION FUND:			
DNA Detection Fund(EA).....	\$ 0	\$ 50	\$ 82
STATE STORES FUND:			
Liquor Control Enforcement.....	\$ 15,324	\$ 16,270	\$ 16,881



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 128,950	\$ 138,309	\$ 140,831
SPECIAL FUNDS.....	267,967	286,718	290,123
FEDERAL FUNDS.....	8,711	15,143	8,815
AUGMENTATIONS.....	25,466	28,055	42,550
RESTRICTED.....	1,124	3,910	3,500
OTHER FUNDS.....	17,801	18,455	19,098
TOTAL ALL FUNDS.....	\$ 450,019	\$ 490,590	\$ 504,917

- ^a Includes \$168,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^b Includes recommended supplemental appropriation of \$100,000.
- ^c Includes recommended supplemental appropriation of \$365,000.
- ^d Includes recommended supplemental appropriation of \$1,223,000.
- ^e Not added to total to avoid double counting. See Motor License Fund section of this summary for dollar amounts



Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
PUBLIC PROTECTION AND LAW ENFORCEMENT							
GENERAL FUND.....	\$ 128,950	\$ 138,309	\$ 140,831	\$ 146,988	\$ 151,156	\$ 151,699	\$ 154,733
SPECIAL FUNDS.....	267,967	286,718	290,123	302,915	312,298	312,996	319,256
FEDERAL FUNDS.....	8,711	15,143	8,815	8,815	8,815	8,815	8,815
OTHER FUNDS.....	44,391	50,420	65,148	81,404	83,032	84,692	86,385
SUBCATEGORY TOTAL.....	\$ 450,019	\$ 490,590	\$ 504,917	\$ 540,122	\$ 555,301	\$ 558,202	\$ 569,189
ALL PROGRAMS:							
GENERAL FUND.....	\$ 128,950	\$ 138,309	\$ 140,831	\$ 146,988	\$ 151,156	\$ 151,699	\$ 154,733
SPECIAL FUNDS.....	267,967	286,718	290,123	302,915	312,298	312,996	319,256
FEDERAL FUNDS.....	8,711	15,143	8,815	8,815	8,815	8,815	8,815
OTHER FUNDS.....	44,391	50,420	65,148	81,404	83,032	84,692	86,385
DEPARTMENT TOTAL.....	\$ 450,019	\$ 490,590	\$ 504,917	\$ 540,122	\$ 555,301	\$ 558,202	\$ 569,189

PROGRAM OBJECTIVE: The State Police enforce the law and preserve the peace through detection of crime and apprehension of criminals, patrol of highways, and enforcement of the vehicle and liquor codes.

Program: Public Protection and Law Enforcement

Program Element: Management

This program element provides direction and coordination for all line and staff activities of the State Police, including administrative and overhead systems for the operation of various law enforcement programs. Included in this program are protection for the Governor and visiting dignitaries, security of the executive residence and background investigations on State job applicants.

Program Element: Vehicle Standards Control

The vehicle inspection program within the Commonwealth is currently conducted jointly by the Department of Transportation and the State Police. This program was established to provide vehicle safety through periodic inspection of motor vehicles and removal of unsafe vehicles from the Commonwealth's highways. The administrative supervision of motor vehicle safety inspection stations, emissions inspection stations and motor vehicle dealers was transferred to the Department of Transportation on January 1, 1998. State Police continue to administer the school bus and mass transit vehicle inspection function and investigate complaints of improper practices by official inspection stations.

Program Element: Traffic Supervision

Enforcing the Commonwealth's traffic laws is a major responsibility of the State Police. The department emphasizes reducing traffic accidents and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. Traffic patrol and enforcement are provided by the State Police in those municipalities where there are no full-time police departments and on all Interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

The State Police utilize various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact on reducing traffic accidents. In this regard, the State Police attempt to allocate patrol activities to those areas and locations with high traffic and accident volume. Supplemental patrolling is provided in construction zones for the safety of motorists and construction workers.

Recently, the State Police have increased emphasis on two special traffic enforcement programs. Operation Centipede targets speeding violators by positioning multiple radar equipped patrol vehicles within a short distance of one another. The Ticket the Aggressive Driver (TAG-D) program focuses on crash reduction through enforcement that concentrates on drivers who display aggressive and dangerous driving behavior.

Program Element: Crime Prevention

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized.

Since many crimes are preventable, the State Police have elicited citizen participation by providing guidance on: precautions individuals may take to protect his/her person, family and property from crime; steps that neighbors may take towards protecting one another from crime; measures which individuals may take to reduce physical danger and property loss should they become a victim of crime; and steps individuals may take to help police solve crimes.

Program Element: Criminal Law Enforcement

State Police activities in this program are geared toward controlling the incidence of crime. Many factors affect the type and volume of crime that occurs within the Commonwealth. Some of the more important factors are density and size of community population, economic conditions including job availability, cultural conditions and effective strength of law enforcement agencies.

There are two ways to measure the productivity of the police effort in the criminal justice system. The first is the clearance rate, the percentage of reported crimes for which an arrest is made. The second is the conviction rate, the percentage of convictions resulting from total arrests.

Program Element: Emergency Assistance

The State Police are normally called upon whenever any emergency situation occurs within the Commonwealth. The department has primary police jurisdiction in large areas of the Commonwealth and also provides assistance to a variety of local and State agencies, particularly law enforcement agencies. A special emergency response team has been trained and equipped to assist with high-risk and emergency situations. The department classifies emergency assistance into two separate categories: civil disorder and disturbances, and emergency management.

Civil disorder and disturbances are incidents that are or may become criminal in nature in such categories as prison disturbances, labor disorders, strikes, campus-school disorders, youth group disorders, terrorism and hostage situations. Emergency management deals with prevention, mitigation and response to natural and/or man-made hazards to prevent loss of life and property, economic loss and disruption of normal living conditions.

Program Element: Liquor Control Enforcement

This program enforces the Pennsylvania Liquor Code and related sections of the Crimes Code. Operations include

Program: Public Protection and Law Enforcement (continued)

covert and overt investigations, assisting municipal police agencies, conducting routine license investigations, performing establishment audits and border patrols. The State Police have implemented a high school and middle school education program to deter minors from using

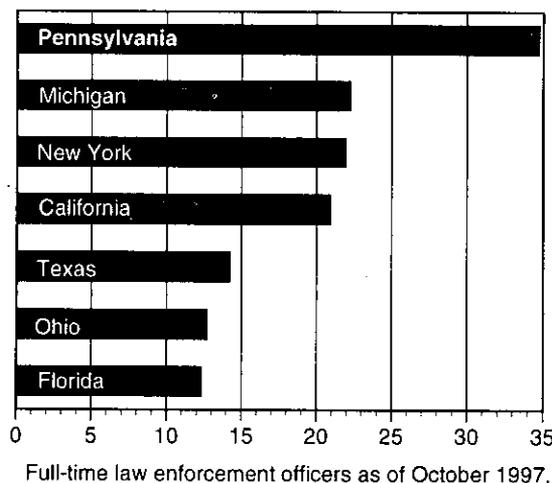
alcoholic beverages. Called "Choices", the program involves a liquor control enforcement officer speaking to school students. During the 1997-98 school year, over 1,755 programs were presented to 75,363 Pennsylvania school students.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Vehicle Standards Control							
Inspection station visitations	6,977	0	0	0	0	0	0
School bus and mass transit vehicle inspections	25,294	25,000	25,000	25,000	25,000	25,000	25,000
Traffic Supervision							
Accidents per 1,000 miles of highway in Pennsylvania	1,311	1,316	1,321	1,326	1,331	1,336	1,341
Accidents per 1,000 miles of highway patrolled by State Police	605	607	609	611	613	615	617
Traffic citations issued	461,998	465,000	465,000	465,000	465,000	465,000	465,000
Crime Prevention							
Crimes per 100,000 population in State Police jurisdiction areas:							
Against persons	121	121	122	123	124	125	126
Against property	1,220	1,226	1,234	1,242	1,250	1,258	1,266
Criminal Law Enforcement							
Crimes against persons:							
Persons arrested	1,983	2,000	2,020	2,040	2,060	2,080	2,100
Clearance rate	68%	64%	64%	64%	64%	64%	64%
Percent of those arrested who are convicted	59%	60%	60%	60%	60%	60%	60%
Crimes against property:							
Persons arrested	9,963	10,000	10,050	10,100	10,150	10,200	10,250
Clearance rate	24%	22%	22%	22%	22%	22%	22%
Percent of those arrested who are convicted	79%	82%	82%	82%	82%	82%	82%
Liquor Control Enforcement							
Enforcement investigations	35,855	36,000	36,000	36,000	36,000	36,000	36,000

Inspection station visitations reflect the transfer of this function to the Department of Transportation in 1997-98.

State Police

Per 100,000 Population



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		CLEAN System
	General Government Operations	
\$ 150	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides information technology to enhance the Uniform Crime Reporting System. See the Program Revision following the Executive Direction Program in the Executive Offices for additional Information.	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative support, information technology, and technical support to establish an incident information management system. See the Program Revision following the Executive Direction program in the Executive Offices for additional Information.
-14,659	—Initiative — Reimbursement for Providing Local Law Enforcement Services. To reimburse the State Police for providing local law enforcement services to certain localities which do not provide local police protection to their residents.	307 —PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides administrative resources to support the Commonwealth Law Enforcement Assistance Network. See the Program Revision following the Executive Direction program in the Executive Offices for additional Information.
5,981	—to continue current operations including the training of State Police cadets in order to maintain the number of enlisted personnel close to the maximum authorized level.	539 —to continue current program.
1,000	—to enhance security during public gatherings by acquiring a mobile command post and related communications and security equipment.	\$ 8,884 <i>Appropriation Increase</i>
635	—for additional law enforcement activities such as Operation Triggerlock.	\$ -110 240
1,200	—to improve the working environment of stations for law enforcement by installing modular furniture.	\$ 130 <i>Appropriation Increase</i>
2,147	—to replace or upgrade equipment used for criminal investigations and law enforcement.	\$ 10,450 -10,669
\$ -3,546	<i>Appropriation Decrease</i>	\$ -219 <i>Appropriation Decrease</i>
		Automated Fingerprint Identification System
		\$ -322 —reduction in contracted maintenance costs.
		Gun Checks
		\$ 1,000 —to supplement the Firearms Ownership Fund.



Includes accomplishment of the PRIME recommendation for streamlining pump and tank inspections. Previously the inspection of certain underground storage tanks and pumping equipment was the sole responsibility of the State Police fire marshals. Creative thinking led to the transferring of this duty to the Department of Labor and Industry whose inspectors were already on the same sites conducting other inspections. This has led to savings of over \$150,000 and the freeing up of approximately 18,000 personnel hours allowing the State Police additional resources to conduct arson investigations.



Includes accomplishments of the PRIME recommendation for streamlining the regulation of inspection stations. Previously the State Police conducted regulatory duties associated with inspection stations, vehicle registration tag agents and messengers. These duties have now been transferred to the Department of Transportation. By streamlining this system, the State Police replaced the Inspection Station Program with a Vehicle Fraud Investigation Program staffed by 67 troopers. These troopers who formerly spent most of their time enforcing non-criminal regulations, now focus their attention on criminal activities.



Includes PRIME recommendation to continue the program of refurbishing older patrol vehicles. It is estimated that an additional \$500,000 will be saved by the State Police in 1999-00.



Program: Public Protection and Law Enforcement (continued)

Appropriations within this Program:

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 119,612	\$ 125,891	\$ 125,259	\$ 123,030	\$ 125,283	\$ 127,789	\$ 130,345
Clean System	2,024	4,010	6,670	14,878	16,613	14,464	14,753
Municipal Police Training	3,977	4,403	4,333	4,420	4,508	4,598	4,690
Patrol Vehicles	2,825	3,414	3,300	3,366	3,433	3,502	3,572
Automated Fingerprint Identification System	512	591	269	274	279	285	291
Gun Checks	0	0	1,000	1,020	1,040	1,061	1,082
TOTAL GENERAL FUND	\$ 128,950	\$ 138,309	\$ 140,831	\$ 146,988	\$ 151,156	\$ 151,699	\$ 154,733
MOTOR LICENSE FUND:							
General Government Operations	\$ 253,791	\$ 267,214	\$ 264,300	\$ 259,418	\$ 264,877	\$ 269,899	\$ 275,297
Clean System	4,304	8,116	14,340	31,784	35,475	30,912	31,530
Municipal Police Training	3,869	4,133	4,333	4,420	4,508	4,598	4,690
Patrol Vehicles	6,003	7,255	7,150	7,293	7,438	7,587	7,739
TOTAL MOTOR LICENSE FUND	\$ 267,967	\$ 286,718	\$ 290,123	\$ 302,915	\$ 312,298	\$ 312,996	\$ 319,256
STATE STORES FUND:							
Liquor Control Enforcement	\$ 15,324	\$ 16,270	\$ 16,881	\$ 17,219	\$ 17,563	\$ 17,914	\$ 18,292



TAX EQUALIZATION BOARD

The State Tax Equalization Board annually determines the aggregate market value of assessed taxable real property throughout the Commonwealth for use in calculating the amount and allocation of Commonwealth subsidies to school districts, for State support of public libraries and for determining certain tax limitations.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 1,187	\$ 1,277 ^a	\$ 1,294
GENERAL FUND TOTAL.....	\$ 1,187	\$ 1,277	\$ 1,294

^a Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
EDUCATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,187	\$ 1,277	\$ 1,294	\$ 1,320	\$ 1,346	\$ 1,373	\$ 1,400
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 1,187	\$ 1,277	\$ 1,294	\$ 1,320	\$ 1,346	\$ 1,373	\$ 1,400
ALL PROGRAMS:							
GENERAL FUND.....	\$ 1,187	\$ 1,277	\$ 1,294	\$ 1,320	\$ 1,346	\$ 1,373	\$ 1,400
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 1,187	\$ 1,277	\$ 1,294	\$ 1,320	\$ 1,346	\$ 1,373	\$ 1,400

Tax Equalization Board

PROGRAM OBJECTIVE: To provide an effective administrative system to assess taxable real property value which is the basis for an equitable distribution of tax funds to support education services.

Program: Education Support Services

The Tax Equalization Board is an independent administrative board created to ensure equitable distribution of tax funds among the State's school districts. The board, in accordance with Act 147 of 1947, determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 501 school districts in the Commonwealth and certifies the market value to the Secretary of Education. The results are used in determining distribution of State subsidies to school districts and local libraries, in lieu of tax payments under Project 70

Land Acquisitions, limitations on real estate taxes in school districts lying in more than one county, tax limitations in financing community colleges, and overall tax limitations for political subdivisions and school districts. The program includes holding of hearings and analysis of real estate values and transactions. Act 267 of 1982 requires the board to establish annually a common level ratio of assessed value to market value in each county for the prior calendar year.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 17 **General Government Operations**
—to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Government Operations	\$ 1,187	\$ 1,277	\$ 1,294	\$ 1,320	\$ 1,346	\$ 1,373	\$ 1,400



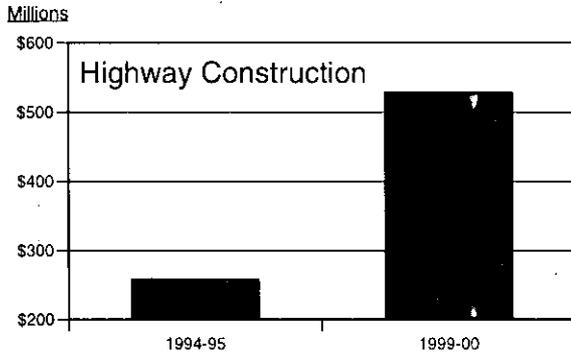
DEPARTMENT OF TRANSPORTATION

The responsibility of the Department of Transportation is to provide fast, efficient and safe movement of people and goods within the Commonwealth through a balanced intermodal transportation system. The department was formed July 1, 1970 by an act of the Legislature combining the former Department of Highways with other transportation related activities in various departments.



State Funding for Transportation

Construction and Maintenance Projects



HIGHWAY CONSTRUCTION

Total State expenditures for highway construction and bridges are anticipated to increase by almost \$280 million, or 108%, from fiscal year 1994-95 to 1999-2000. In addition, it is estimated that almost \$728 million in Federal funds will also be available in 1999-2000, bringing the total for Highway Construction to over \$1.265 billion.

This has allowed the Department of Transportation to dedicate additional resources to new road projects on the State road system which will not only improve traffic flow and safety, but will have far reaching economic benefits. The number of miles of new highway construction is planned to increase over 61% from 1994-95 to 1999-2000.

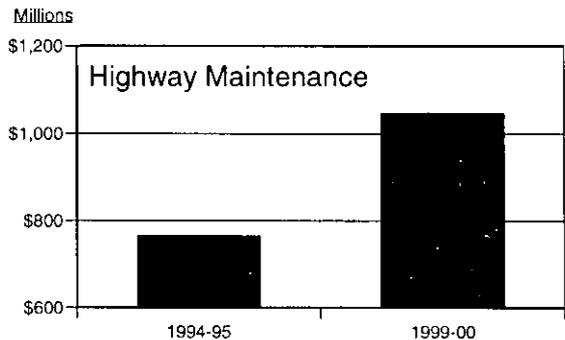
Projects such as the relocation of US 220 in Centre County, the extension of PA 33 in Northampton County and the widening of US 30 in Lancaster County are now able to be advanced to the final design and project award stages.

HIGHWAY MAINTENANCE

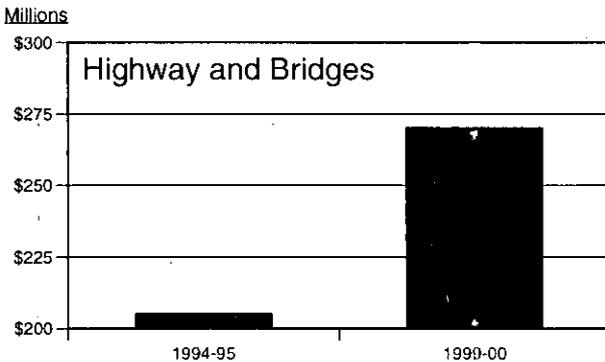
Increases of over \$282 million, or 37%, from 1994-95 to 1999-2000 and planned State expenditures for 1999-2000 that will exceed \$1 billion will enable the Department to upgrade its maintenance program on the 40 thousand miles of highway maintained by the State. In addition, it is estimated that \$173 million in Federal funds will also be available in 1999-2000, bringing the total for Highway Maintenance to over \$1.2 billion.

While patching and other surface repairs are still an important part of the maintenance program, more emphasis is now being placed on better riding and longer lasting improvements such as resurfacing and structural restoration. For example, the number of miles of State maintained highways scheduled for structural restoration is planned to increase over 97% from 1994-95 to 1999-2000.

These actions will facilitate the flow of traffic for drivers on Pennsylvania's highways.



Local Highway and Transit Assistance



LOCAL HIGHWAY AND BRIDGES

Locally administered highways in the Commonwealth total over seventy-five thousand miles. This represents over 65% of all highways in Pennsylvania. In addition there are over six thousand local bridges greater than 20 feet in length.

Total State spending has increased the amount of State grants available for Pennsylvania's municipalities from \$205 million in 1994-95 to a recommended \$270 million in 1999-2000, an increase for almost 32%.

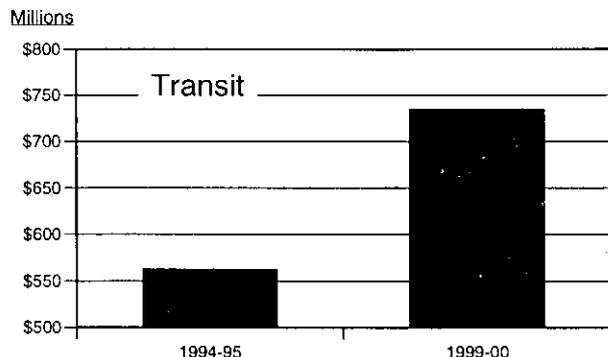
This will enable our local governments to increase the number of bridges brought up to standard and miles of local highways improved by over 209 miles, or an increase of over 14%.

MASS AND RURAL TRANSIT

State funding for transit, including capital and Older Pennsylvanians Free Transit Lottery funds has increased by \$172 million, or over 30%, from 1994-95 to 1999-2000 recommended amounts. This money will be used for various new capital projects, operations and asset maintenance.

Increase in funding has enabled transit entities to utilize their full fleet of buses, restore previously discontinued service and add new bus routes.

Capital and maintenance funding provided by the State has enabled the transit entities to construct and modernize facilities, build park and ride facilities, upgrade communications equipment and maintain and replace vehicles. This has contributed to more convenient and comfortable transit trips for traveling Pennsylvanians.



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Transit and Rail Freight Operations.....	\$ 1,665	\$ 1,762 ^a	\$ 1,887
(F)FTA - Technical Studies Grants.....	2,265	2,686	2,908
(F)Capital Assistance.....	83	94	129
(F)Surface Transportation Assistance.....	660	816	828
(F)FTA - Capital Improvement Grants.....	3,449	3,700	3,700
(F)Title IV Rail Assistance.....	19	23	41
(R)Project Management Oversight - PTAF (EA).....	278	1,000	1,000
(A)Local Contribution - Rail Freight.....	20	25	25
(A)PTAF - Oversight.....	0 ^b	0 ^b	0 ^b
Rail Safety Inspection.....	407	419	429
Vehicle Sales Tax Collections.....	1,757	1,810	1,855
Welcome Centers.....	1,434	1,767 ^c	1,937
Relocation of Transportation and Safety Operations.....	169	169	172
Voter Registration.....	621	648	927
Subtotal - State Funds.....	\$ 6,053	\$ 6,575	\$ 7,207
Subtotal - Federal Funds.....	6,476	7,319	7,606
Subtotal - Augmentations.....	20	25	25
Subtotal - Restricted Revenues.....	278	1,000	1,000
Total - General Government.....	\$ 12,827	\$ 14,919	\$ 15,838
<i>Grants and Subsidies:</i>			
Mass Transportation Assistance.....	\$ 254,663	\$ 254,663	\$ 254,663
Rural Transportation Assistance.....	2,000	2,000	2,000
(F)TANFBG - Rural Transportation.....	0	1,000	0
(F)TANFBG - Access to Jobs.....	0	700 ^d	5,033
(F)TEA 21 - Access to Jobs.....	0	0	1,333
Fixed Route Transit.....	13,352	25,090	25,090
Intercity Transportation.....	1,888	1,945	2,094
(F)Surface Transportation - Operating.....	5,335	6,500	7,000
(F)Surface Transportation Assistance Capital.....	1,420	4,000	4,000
(F)FTA - Capital Improvements.....	181	8,000	8,000
(R)Technical Assistance - PTAF (EA).....	2,784	4,467	1,503
(R)Community Transportation Equipment Grants - PTAF (EA).....	3,159	2,985	2,300
(R)Mass Transit Grants (EA).....	63,858	69,000	69,000
(R)Rural Transit Grants (EA).....	4,618	4,800	4,800
(R)Community Transportation (EA).....	1,200	1,200	1,200
Rail Freight Assistance.....	7,924	8,500	8,500
DUI Equipment Grants.....	0	2,500	0
Subtotal - State Funds.....	\$ 279,827	\$ 294,698	\$ 292,347
Subtotal - Federal Funds.....	6,936	20,200	25,366
Subtotal - Restricted Revenues.....	75,619	82,452	78,803
Total - Grants and Subsidies.....	\$ 362,382	\$ 397,350	\$ 396,516
STATE FUNDS.....	\$ 285,880	\$ 301,273	\$ 299,554
FEDERAL FUNDS.....	13,412	27,519	32,972
AUGMENTATIONS.....	20	25	25
RESTRICTED REVENUES.....	75,897	83,452	79,803
GENERAL FUND TOTAL.....	\$ 375,209	\$ 412,269	\$ 412,354
MOTOR LICENSE FUND:			
<i>General Government:</i>			
General Government Operations.....	\$ 27,305	\$ 28,915	\$ 31,224
Highway Systems Technology.....	12,080	35,275	26,000

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Refunding Collected Monies (EA)	4,903	5,500	4,500
Relocation of Transportation and Safety Operations	8,233	8,887	5,752
(F)Reimbursement - General Government.....	0	7	0
(A)Reimbursement - Other Agencies.....	536	175	178
(A)Mass Transportation.....	81	78	78
(A)Duplicating Services.....	58	66	66
(A)Aviation Restricted Revenue.....	255	170	170
(A)Administrative Hearings.....	41	40	40
(A)Intern Program - PHEAA Reimbursement.....	43	55	55
Subtotal.....	<u>\$ 53,535</u>	<u>\$ 79,168</u>	<u>\$ 68,063</u>
Highway and Safety Improvements	165,000	179,600	175,000
Security Wall Pilot Program	0	17,000	0
Highway Capital Projects (EA)	153,300	179,600	192,800
Metric Conversion	831	1,000	0
(F)Highway Research, Planning and Construction.....	484,921	552,608	602,723
(F)Highway Safety Program.....	126	100	100
(A)Highway Construction Contributions.....	4,193	7,150	5,350
(A)Reimbursements - Accident Damage Claims.....	2	0	0
(R)Highway Capital Projects - Excise Tax (EA).....	50,540	55,235	51,052
(R)Highway Bridge Projects (EA).....	49,203	85,000	80,000
(R)Bridges - Excise Tax (EA).....	38,648	42,238	39,011
(F)Federal Aid - Highway Bridge Projects.....	84,395	110,000	125,000
(F)Federal Disaster Reimbursement - FHWA.....	1,566	0	0
(A)Bridge Construction Contributions.....	834	2,500	1,800
(A)Bridge Reimbursement from Local Governments.....	8	500	200
Subtotal.....	<u>\$ 1,033,567</u>	<u>\$ 1,232,531</u>	<u>\$ 1,273,036</u>
Highway Maintenance	625,585	609,932	621,406
Secondary Roads - Maintenance and Resurfacing (EA)	61,100	61,165	61,669
Highway Maintenance One Time Surface Improvements	41,000	0	0
Preventive Maintenance	0	50,000	0
Highway Maintenance Safety Projects	0	0	45,000
Reinvestment - Facilities	6,000	7,175	6,140
(F)Highway Research, Planning and Construction.....	110,324	178,000	170,000
(F)State and Community Highway Safety.....	1,690	2,800	3,000
(F)Federal Disaster Reimbursement - FEMA.....	1,987	5,000	0
(F)Federal Disaster Reimbursement - FHWA.....	6,440	7,000	0
(R)Highway Maintenance - Excise Tax (EA).....	124,866	136,463	127,186
(R)Highway Maintenance Enhancement (EA).....	88,771	105,725	127,027
(R)Highway Betterment (EA).....	50,841	127,757	64,064
(A)Highway Maintenance Contributions.....	7,552	8,580	9,080
(A)Sale of Automobiles.....	195	300	300
(A)Sale of Gas, Oil and Antifreeze.....	54	1,000	500
(A)Sale of Equipment.....	1,780	3,000	3,000
(A)Heavy Hauling - Bonded Roads.....	378	600	600
(A)Sale of Signs.....	141	200	200
(A)Accident Damage Claims.....	3,494	4,500	5,000
(A)Litter Fine Receipts.....	9	9	9
(A)Recovered Permit Compliance Cost.....	3	11	11
(A)Reimbursement - Maintenance of Drivers Exam Sites.....	0 ^e	0 ^e	0 ^e
(A)Reimbursement - Superpave Projects.....	0 ^f	0 ^f	0 ^f
Subtotal.....	<u>\$ 1,132,210</u>	<u>\$ 1,309,217</u>	<u>\$ 1,244,192</u>
Safety Administration and Licensing	88,334	93,593	99,945
Enhanced Titling and Registration	0	1,400	10,100
(F)State and Community Highway Safety.....	359	305	115
(F)Reimbursement - Drivers License Suspension/Denial.....	0	56	88
(F)Reimbursement - Advertising Emission Inspection.....	0	965	750
(F)Congestion Mitigation Air Quality.....	826	0	1,000
(A)Administrative Support.....	120	100	100
(A)Computer Support.....	284	220	220

Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

1997-98 1998-99 1999-00
ACTUAL AVAILABLE BUDGET

(A)Photo ID Program.....	10,013	10,600	10,600
(A)Vehicle Sales Tax Collections.....	0 _g	0 _g	0 _g
(A)Emission Mechanic Training Courses.....	0	10	10
(A)Reimbursement - Advertising Emission Inspection.....	497	0	0
(A)Commercial Vehicle Information System.....	0	300	0
(A)Reimbursement - Special Plates Administrative Costs.....	409	100	175
(A)Reimbursement - Organ Donor Fund.....	0 _h	0 _h	0 _h
Subtotal.....	\$ 100,842	\$ 107,649	\$ 123,103
(R)Aviation Operations.....	12,541 _i	4,319 _{ij}	4,671 _i
(R)Airport Divestiture Payment.....	8,994 _{kl}	0	0
(F)Aviation Planning.....	41	11	11
(F)Reimbursement - Statewide Program.....	0	0	774
(F)Airport Inspections.....	29	6	6
(F)Federal Aid - HIA.....	58	0 _j	0
(F)Federal Aid - Other State Airports.....	257	0	3
(F)Federal Reimbursement - HIA Passenger Facility Charge Proj.....	2,454	0 _j	0
(A)HIA Improvement Project - Passenger Facility Charges.....	413	0 _j	0
(A)Passenger Facility Charges HIA Project.....	1,986	0 _j	0
(A)HIA Utility Services.....	99	0 _j	0
(A)Other State Airports Utility Services.....	5	0 _j	0
(A)Flight Operations.....	452	365	790
(A)Police Citations - HIA.....	5	0 _j	0
(A)Airport Inspections and Licensing.....	4	5	5
(A)Airport Improvement Program - Other State Airports.....	27	0 _j	0
(A)Industrial Park Reimbursements.....	133	0 _j	0
(A)Improvement Program - HIA.....	6	0 _j	0
(A)General Fund Reimbursement.....	22	0	0
(A)Airport Operations Reimbursement.....	1,131	0 _j	0
(A)Reimbursements - Other State Airports.....	8	0 _j	0
(A)Reimbursement - Statewide Program.....	18	10	10
Subtotal.....	\$ 28,683	\$ 4,716	\$ 6,270
Subtotal - State Funds.....	\$ 1,193,671	\$ 1,279,042	\$ 1,279,536
Subtotal - Federal Funds.....	695,473	856,858	903,570
Subtotal - Augmentations.....	35,289	40,644	38,547
Subtotal - Restricted Revenues.....	424,404	556,737	493,011
Total - General Government.....	\$ 2,348,837	\$ 2,733,281	\$ 2,714,664

Grants and Subsidies:

Local Road Maintenance and Construction Payments.....	\$ 173,941	\$ 181,173	\$ 174,992
Supplemental Local Road Maintenance and Construction Payment.....	5,000	5,000	5,000
Payment to Turnpike Commission (EA).....	28,000	28,000	28,000
(R)Local Road Payments - Excise Tax (EA).....	35,753	38,988	36,499
(R)Payments to Municipalities (EA).....	25,244	25,293	26,661
(R)Local Grants For Bridge Projects (EA).....	1,623	22,000	20,000
(R)County Bridges - Excise Tax (EA).....	3,920	8,604	7,278
(F)Federal Aid - Local Grants for Bridge Projects.....	425	600	800
(F)Federal Aid - County Bridges.....	109	200	200
(A)Local Governments.....	31	200	200
(R)Toll Roads - Excise Tax (EA).....	41,432	42,759	41,275
(R)Annual Maintenance Payments - Highway Transfer (EA).....	10,146	10,533	10,545
(R)Restoration Projects - Highway Transfer (EA).....	5,657	5,891	7,234
(R)Airport Development.....	6,495 _i	6,500 _i	7,500 _i
(F)Federal Reimbursement - Airport Development.....	0	9,000	9,500
(R)Real Estate Tax Rebate.....	233 _i	250 _i	250 _i
Subtotal.....	\$ 338,009	\$ 384,991	\$ 375,934

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
Subtotal - State Funds.....	\$ 206,941	\$ 214,173	\$ 207,992
Subtotal - Federal Funds.....	534	9,800	10,500
Subtotal - Augmentations.....	31	200	200
Subtotal - Restricted Revenues.....	130,503	160,818	157,242
Total - Grants and Subsidies.....	\$ 338,009	\$ 384,991	\$ 375,934
STATE FUNDS.....	\$ 1,400,612	\$ 1,493,215	\$ 1,487,528
FEDERAL FUNDS.....	696,007	866,658	914,070
AUGMENTATIONS.....	35,320	40,844	38,747
RESTRICTED REVENUES.....	554,907	717,555	650,253
MOTOR LICENSE FUND TOTAL.....	\$ 2,686,846	\$ 3,118,272	\$ 3,090,598
LOTTERY FUND:			
<i>Grants and Subsidies:</i>			
Older Pennsylvanians Shared Rides (EA).....	\$ 56,061	\$ 61,070	\$ 63,126
Older Pennsylvanians Free Transit (EA).....	53,987	61,957	57,000
Total - Grants and Subsidies.....	\$ 110,048	\$ 123,027	\$ 120,126
LOTTERY FUND TOTAL.....	\$ 110,048	\$ 123,027	\$ 120,126
OTHER FUNDS:			
GENERAL FUND:			
Federal Grants - Railroad Freight Rehabilitation.....	\$ 22	\$ 1,000	\$ 500
Emission Inspection Settlement.....	44,800 ^m	55,150	0
GENERAL FUND TOTAL.....	\$ 44,822	\$ 56,150	\$ 500
MOTOR LICENSE FUND:			
Federal Reimbursements - Highway Safety Program.....	\$ 4,813	\$ 6,000	\$ 6,100
Reimbursements to Municipalities - Vehicle Code Fines.....	12,625	19,000	15,000
Federal Reimbursements - Flood Related Costs.....	1,987	1,000	1,000
Reimbursements to Other States- Apportioned Registration Plan.....	33,261	25,000	30,000
Federal Reimbursements - Bridge Projects.....	19,643	25,000	27,000
Federal Reimbursement - Delisting HIA.....	72	19	0
Motorcycle Safety Education.....	3,097	2,750	3,000
Equipment Rental Security Deposits.....	0	100	100
Payments to Blind/Visually Handicapped.....	1,650	1,600	1,600
Federal Reimbursements - Political Subdivisions.....	32,252	30,000	33,000
License and Registration Pickups.....	0	25	25
MOTOR LICENSE FUND TOTAL.....	\$ 109,400	\$ 110,494	\$ 116,825
HIGHWAY BEAUTIFICATION FUND:			
Control of Junkyards (EA).....	\$ 0	\$ 15	\$ 15
Control of Outdoor Advertising (EA).....	355	700	700
HIGHWAY BEAUTIFICATION FUND TOTAL.....	\$ 355	\$ 715	\$ 715
MOTOR VEHICLE TRANSACTION RECOVERY FUND:			
Reimbursement to Transportation.....	\$ 97	\$ 215	\$ 200
LIQUID FUELS TAX FUND:			
Payments to Counties.....	\$ 26,233	\$ 26,495	\$ 26,695

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98	1998-99	1999-00
	ACTUAL	AVAILABLE	BUDGET
PUBLIC TRANSPORTATION ASSISTANCE FUND:			
Transfer to General Fund (EA).....	\$ 0 ⁿ	\$ 0 ⁿ	\$ 0 ⁿ
Mass Transit Grants (EA).....	147,752	183,629	191,058
Rural Transit Grants (EA).....	4,256	5,428	5,422
PUBLIC TRANSPORTATION ASSISTANCE FUND TOTAL.....	\$ 152,008	\$ 189,057	\$ 196,480
ORGAN DONATION AWARENESS TRUST FUND:			
Reimbursement to Transportation (EA).....	\$ 230	\$ 0	\$ 539
INFRASTRUCTURE BANK FUND:			
Infrastructure Bank Loans (EA).....	\$ 0	\$ 2,000	\$ 11,080
DEPARTMENT TOTAL - ALL FUNDS			
GENERAL FUND.....	\$ 285,880	\$ 301,273	\$ 299,554
SPECIAL FUNDS.....	1,510,660	1,616,242	1,607,654
FEDERAL FUNDS.....	709,419	894,177	947,042
AUGMENTATIONS.....	35,340	40,869	38,772
RESTRICTED.....	630,804	801,007	730,056
OTHER FUNDS.....	333,145	385,126	353,034
TOTAL ALL FUNDS.....	\$ 3,505,248	\$ 4,038,694	\$ 3,976,112

^a Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^b Not added to the total to avoid double counting: 1997-98 Actual is \$5,000, 1998-99 Available is \$10,000, and 1999-00 Budget is \$10,000.

^c Includes \$2,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.

^d Includes recommended supplemental appropriation of \$700,000.

^e Not added to the total to avoid double counting: 1997-98 Actual is \$8,000, 1998-99 Available is \$500,000, and 1999-00 Budget is \$500,000.

^f Not added to the total to avoid double counting: 1997-98 Actual is \$776,000, 1998-99 Available is \$2,000,000, and 1999-00 Budget is \$200,000.

^g Not added to the total to avoid double counting: 1997-98 Actual is \$1,757,000, 1998-99 Available is \$1,810,000, and 1999-00 Budget is \$1,855,000.

^h Not added to the total to avoid double counting: 1997-98 Actual is \$230,000, 1998-99 Available is \$0, and 1999-00 Budget is \$539,000.

^j Appropriated from a restricted revenue account.

^j Reflects divestiture of the Harrisburg International Airport and Capital City Airport from the Commonwealth to a local authority effective January 2, 1998.

^k Executively Authorized from a restricted revenue account.

^l Per the divestiture agreement and Act 60 of 1997, this amount was paid to the local authority that assumed operations of the Harrisburg International Airport and Capital City Airport.

^m Paid directly from Catastrophic Loss Benefits Continuation Fund.

ⁿ Not added to the total to avoid double counting: 1997-98 Actual is \$4,699,000, 1998-99 Available is \$4,785,000, and 1999-00 Budget is \$4,803,000.



Program Funding Summary

	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
TRANSPORTATION SUPPORT SERVICES							
GENERAL FUND.....	\$ 1,834	\$ 1,931	\$ 2,059	\$ 2,100	\$ 2,139	\$ 2,003	\$ 2,043
SPECIAL FUNDS.....	52,521	78,577	67,476	61,940	57,727	52,316	52,972
FEDERAL FUNDS.....	6,476	7,326	7,606	7,606	7,606	7,606	7,606
OTHER FUNDS.....	1,292	1,584	1,587	1,600	1,603	1,419	1,419
SUBCATEGORY TOTAL.....	\$ 62,123	\$ 89,418	\$ 78,728	\$ 73,246	\$ 69,075	\$ 63,344	\$ 64,040
STATE HIGHWAY AND BRIDGE CONSTRUCTION/RECONSTRUCTION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	347,131	405,200	395,800	393,500	407,600	424,200	427,100
FEDERAL FUNDS.....	571,008	662,708	727,823	776,040	777,100	752,100	752,100
OTHER FUNDS.....	151,380	201,859	197,572	188,427	189,062	149,681	151,219
SUBCATEGORY TOTAL.....	\$ 1,069,519	\$ 1,269,767	\$ 1,321,195	\$ 1,357,967	\$ 1,373,762	\$ 1,325,981	\$ 1,330,419
STATE HIGHWAY AND BRIDGE MAINTENANCE							
GENERAL FUND.....	\$ 1,434	\$ 1,767	\$ 1,937	\$ 1,976	\$ 2,016	\$ 2,056	\$ 2,097
SPECIAL FUNDS.....	733,685	728,272	734,215	698,039	708,434	738,810	759,188
FEDERAL FUNDS.....	120,441	192,800	173,000	163,000	163,000	163,000	163,000
OTHER FUNDS.....	320,369	433,083	378,688	379,405	380,791	382,956	385,133
SUBCATEGORY TOTAL.....	\$ 1,175,929	\$ 1,355,922	\$ 1,287,840	\$ 1,242,420	\$ 1,254,241	\$ 1,286,822	\$ 1,309,418
LOCAL HIGHWAY AND BRIDGE ASSISTANCE							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	178,941	186,173	179,992	183,402	184,520	185,675	186,776
FEDERAL FUNDS.....	534	800	1,000	1,200	1,200	1,200	1,200
OTHER FUNDS.....	173,127	212,004	210,112	211,405	216,223	220,986	225,771
SUBCATEGORY TOTAL.....	\$ 352,602	\$ 398,977	\$ 391,104	\$ 396,007	\$ 401,943	\$ 407,861	\$ 413,747
MASS TRANSPORTATION							
GENERAL FUND.....	\$ 257,070	\$ 257,082	\$ 257,092	\$ 257,101	\$ 257,110	\$ 257,119	\$ 257,128
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	1,700	6,366	4,334	0	0	0
OTHER FUNDS.....	215,866	258,057	265,480	288,498	314,393	285,231	295,999
SUBCATEGORY TOTAL.....	\$ 472,936	\$ 516,839	\$ 528,938	\$ 549,933	\$ 571,503	\$ 542,350	\$ 553,127
INTERCITY TRANSPORTATION							
GENERAL FUND.....	\$ 9,812	\$ 10,445	\$ 10,594	\$ 10,594	\$ 10,594	\$ 10,594	\$ 10,594
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	6,936	18,500	19,000	19,000	19,000	19,000	19,000
OTHER FUNDS.....	7,444	10,292	6,828	6,887	6,953	6,881	6,909
SUBCATEGORY TOTAL.....	\$ 24,192	\$ 39,237	\$ 36,422	\$ 36,481	\$ 36,547	\$ 36,475	\$ 36,503

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
AIR TRANSPORTATION							
GENERAL FUND.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	2,839	9,017	10,294	9,533	9,520	9,520	9,520
OTHER FUNDS.....	32,644	11,468	13,226	13,343	13,462	13,585	13,711
SUBCATEGORY TOTAL.....	\$ 35,483	\$ 20,485	\$ 23,520	\$ 22,876	\$ 22,982	\$ 23,105	\$ 23,231
SAFETY ADMINISTRATION AND LICENSING							
GENERAL FUND.....	\$ 2,378	\$ 4,958	\$ 2,782	\$ 2,838	\$ 2,895	\$ 2,953	\$ 3,012
SPECIAL FUNDS.....	88,334	94,993	110,045	112,574	107,106	103,922	105,980
FEDERAL FUNDS.....	1,185	1,326	1,953	200	200	200	200
OTHER FUNDS.....	92,808	94,470	44,869	45,580	46,780	47,980	49,180
SUBCATEGORY TOTAL.....	\$ 184,705	\$ 195,747	\$ 159,649	\$ 161,192	\$ 156,981	\$ 155,055	\$ 158,372
OLDER PENNSYLVANIANS TRANSIT							
GENERAL FUND.....	\$ 13,352	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
SPECIAL FUNDS.....	110,048	123,027	120,126	122,528	124,872	127,368	129,915
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	4,359	4,185	3,500	3,500	3,500	3,500	3,500
SUBCATEGORY TOTAL.....	\$ 127,759	\$ 152,302	\$ 148,716	\$ 151,118	\$ 153,462	\$ 155,958	\$ 158,505
ALL PROGRAMS:							
GENERAL FUND.....	\$ 285,880	\$ 301,273	\$ 299,554	\$ 299,699	\$ 299,844	\$ 299,815	\$ 299,964
SPECIAL FUNDS.....	1,510,660	1,616,242	1,607,654	1,571,983	1,590,259	1,632,291	1,661,931
FEDERAL FUNDS.....	709,419	894,177	947,042	980,913	977,626	952,626	952,626
OTHER FUNDS.....	999,289	1,227,002	1,121,862	1,138,645	1,172,767	1,112,219	1,132,841
DEPARTMENT TOTAL.....	\$ 3,505,248	\$ 4,038,694	\$ 3,976,112	\$ 3,991,240	\$ 4,040,496	\$ 3,996,951	\$ 4,047,362



PROGRAM OBJECTIVE: To provide an effective administrative system supporting both non-highway and highway transportation programs.

Program: Transportation Support Services

This program provides for administrative and overhead services that support the operation of programs necessary for the achievement of Commonwealth and department objectives.

The non-highway related activities include providing administrative coordination, planning and support for all urban, rural and intercity mass transit and rail freight transportation. Another part of the non-highway related activity is the oversight of the Public Transportation Assistance Fund created by Act 26 of 1991. To promote efficient and effective urban mass transit the program conducts analysis of local transit operations and procedures, coordination and funding of urban planning and study projects, and review of local operating subsidy and capital grant projects. Activities that continue and

improve rail and bus service between Pennsylvania's urbanized areas and bus service in rural areas include preparing and coordinating needs studies, analyzing existing and proposed service levels, and evaluating the overall effectiveness of the program.

The highway related activities develop basic guidelines for the highway program. This part of the program directs and coordinates specific construction, maintenance, safety and licensing activities and highway technology projects. Support is also provided in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. The department supports its portion of the work of the Inspector General's Office along with the activities of the State Transportation Commission and the Transportation Advisory Committee through this program.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND Transit and Rail Freight Operations \$ 125 —to continue current program.</p> <p>Relocation of Transportation and Safety Operations \$ 3 —to continue current program.</p> <p>MOTOR LICENSE FUND General Government Operations \$ 2,008 —to continue current program. 301 —PRR—Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides technical support for developing and maintaining transportation technology systems. See the Program Revision following the Direction Program in the Executive Offices for additional information.</p> <hr/> <p>\$ 2,309 <i>Appropriation Increase</i></p>	<p>\$ -9,275 Highway Systems Technology —nonrecurring projects.</p> <p>\$ -1,000 Refunding Collected Monies (EA) —based on latest projection of program requirements.</p> <p>\$ -3,135 Relocation of Transportation and Safety Operations —nonrecurring project.</p>
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Program: Transportation Support Services (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Transit and Rail Freight Operations	\$ 1,665	\$ 1,762	\$ 1,887	\$ 1,925	\$ 1,964	\$ 2,003	\$ 2,043
Relocation of Transportation and Safety Operations	169	169	172	175	175	0	0
TOTAL GENERAL FUND	\$ 1,834	\$ 1,931	\$ 2,059	\$ 2,100	\$ 2,139	\$ 2,003	\$ 2,043
MOTOR LICENSE FUND:							
General Government Operations	\$ 27,305	\$ 28,915	\$ 31,224	\$ 31,541	\$ 32,172	\$ 32,816	\$ 33,472
Highway Systems Technology	12,080	35,275	26,000	20,000	15,000	15,000	15,000
Refunding Collected Monies (EA)	4,903	5,500	4,500	4,500	4,500	4,500	4,500
Relocation of Transportation and Safety Operations	8,233	8,887	5,752	5,899	6,055	0	0
TOTAL MOTOR LICENSE FUND	\$ 52,521	\$ 78,577	\$ 67,476	\$ 61,940	\$ 57,727	\$ 52,316	\$ 52,972



PROGRAM OBJECTIVE: To provide a highway and bridge system capable of meeting the economic and recreational needs of the Commonwealth.

Program: State Highway and Bridge Construction/Reconstruction

This program involves major construction or reconstruction work on the Commonwealth's Interstate Highway System, on other priority State highways and on State bridges that contribute to the economic growth of the Commonwealth and the mobility of the State's citizens.

This program includes Interstate and major primary roads, as well as those State roads that are not part of the Federal aid system. Within the funding available from Federal aid, local construction contributions and current 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 highway system including projects to enhance safety and mobility.

Included in this program are improvements to State-owned bridges listed in Act 235 of 1982, the Highway, Railroad and Highway Bridge Capital Act and later

amendments. Funding for these bridge improvements comes from annual registration fees for Commonwealth-registered vehicles having a gross weight in excess of 26,000 pounds and a 55 mill Oil Company Franchise Tax based on the average wholesale price of motor fuel used by motor carriers in the operation of their commercial vehicles on highways within the Commonwealth.

Act 26 of 1991 provides additional State highway and bridge construction/reconstruction funds through a 55 mill Oil Company Franchise Tax of which 17 percent is specifically dedicated to highway capital projects and 13 percent to bridges.

Act 3 of 1997 provides additional State highway construction/reconstruction funds through a vehicle registration fee increase, with \$28 million earmarked for the Turnpike Commission.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Miles of new highway construction	44	42	42	36	36	40	40
Miles of Interstate reconstruction	58	70	91	75	75	75	75
Miles of non-Interstate reconstruction	37	52	68	50	50	50	50
Intersections improved to increase safety and capacity	199	171	185	185	185	185	185
Bridges maintained (larger than 8 feet)	25,957	25,960	25,963	25,966	25,969	25,972	25,975
Bridges replaced/repaired	323	300	325	345	345	310	305

Miles of Interstate and non-Interstate reconstruction are higher for the budget year than projected in last year's budget due to the reinvestment of funds saved through bidding efficiencies.

Bridges replaced/repaired are lower than in last year's budget due to the use of more accurate data.

Program Recommendations: This budget recommends the following changes: (Dollar Amounts in Thousands)

Highway and Safety Improvements
 \$ -4,600 —to continue current program.
 This funding is in combination with Act 26 of 1991 revenues for 1999-00 of \$51,052 million (17 percent of 55 mills) and Highway Capital Projects authorized in Act 3 of 1997. With the completion of the Commonwealth's Interstate Highway System in 1991, new construction has shifted to highway projects that will spur economic development. Key projects in 1999-00 include relocation of US 22/322 in Dauphin County; relocation of US 220 in Centre County; extension of PA 33 in Northampton County; relocation of US 22 (Lewistown Bypass) in Mifflin County; widening and access improvements to US 202 in Chester and Montgomery Counties; widening of US 11/15 in Perry County; relocation of US 15 in Tioga County;

continuing work to widen US 30 in Lancaster County; completion of the Hazelton Beltway in Luzerne County and extension of US 222 (Warren St. Bypass) in Berks County.

Another priority is the reconstruction of the Interstate Highway System. During 1999-00 key projects in this area will include restoration of 8 bridge decks on I-95 in Philadelphia County; restoration of 6.8 miles of I-80 in Venango County; reconstruction of 3 miles of I-79 in Erie County and 6 miles of I-79 in Crawford County and resurfacing 7 miles of I-81 in Cumberland County.

New Interstate construction in 1999-00 will involve 27.3 miles of I-99 from Bald Eagle in Blair County to I-80 in Centre County.



Program: State Highway and Bridge Construction/Reconstruction (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ -17,000	Security Wall Pilot Program —nonrecurring projects.
\$ 13,200	Highway Capital Projects (EA) —to continue current program.
\$ -1,000	Metric Conversion —nonrecurring projects.

Bridge Restricted Revenue

—Major bridge projects started or underway during 1999-00 include Kennerdell Bridge in Venango County; the Sinnemahoning Bridge in Cameron County; the Danville Bridge in Montour County; the Keyser Bridge in Lackawanna County; the Lindberg Viaduct in Berks County; the 29th Street Bridge in Philadelphia County; the Third Street Bridge in Cumberland County; the Seventh Street Bridge in Blair County; the Two Lick Bridge in Indiana County; the Perry Highway Bridge in Allegheny County and the Mingo Creek Bridge in Washington County.

Payment to Turnpike Commission is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
MOTOR LICENSE FUND:							
Highway and Safety Improvements	\$ 165,000	\$ 179,600	\$ 175,000	\$ 170,000	\$ 180,000	\$ 195,000	\$ 195,000
Security Wall Pilot Program	0	17,000	0	0	0	0	0
Highway Capital Projects (EA)	153,300	179,600	192,800	195,500	199,600	201,200	204,100
Metric Conversion	831	1,000	0	0	0	0	0
Payment to Turnpike Commission (EA)	28,000	28,000	28,000	28,000	28,000	28,000	28,000
TOTAL MOTOR LICENSE FUND	\$ 347,131	\$ 405,200	\$ 395,800	\$ 393,500	\$ 407,600	\$ 424,200	\$ 427,100

PROGRAM OBJECTIVE: To provide general routine maintenance, betterments and resurfacing necessary to preserve the quality of existing State-administered roads and bridges and to provide prompt winter services to enable safe passage of vehicles.

Program: State Highway and Bridge Maintenance

Pennsylvania, with the fourth largest state maintained highway system in the Nation and subject to severe winter weather, is faced with significant highway and bridge maintenance challenges.

Work carried out by the department or by contract includes patching, surface treatment, resurfacing, restabilization and minor betterment projects, and repair of bridges, tunnels and minor storm damage. The department places a heavy emphasis on durable resurfacing of high-volume primary highways, the majority of which serve interstate and regional commerce, intermodal transportation facilities and major population centers. Snow and ice control services are performed on all State-administered highways. Other routine maintenance and betterment work includes safety improvements such as skid resistant pavement applications, left turn lanes, intersection sight improvements, shoulder improvements, guiderail updates and curve banking adjustments. This program also has the responsibility of completing maintenance activities that are not directly involved with the roadway surface itself such as pipe replacement, ditch cleaning and various safety measures such as repairing traffic signals and guiderails.

The department issues special permits to truck operators for the use of certain highways and bridges with weight or special operating restrictions. 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 the highways and bridges or the safe and convenient passage of traffic.

The Motor Carrier Safety Enforcement Program is credited with reducing maintenance costs for highways and bridges and increasing the public safety by minimizing the number of dangerously overloaded trucks. The department continues to provide state-of-the-art training and equipment technology to maximize enforcement efficiency. At the same time, delays to motor carriers have been minimized through the use of weigh-in-motion technology.

The accident analysis program uses computer programs to identify those highway locations that have experienced statistically more accidents than similar roads with similar traffic volumes. Another program identifies locations that have had an inordinate number of accidents in which vehicles ran off the road or hit fixed objects. These programs allow for the ranking of high-accident locations and provide a systematic means of selecting the highest priority sites for maintenance and reconstruction.

Act 26 of 1991 provides additional State highway and bridge maintenance funds through a 55 mill Oil Company Franchise Tax of which 42 percent is specifically dedicated for highway maintenance.

Act 3 of 1997 dedicated 88 percent of a 38.5 mill Oil Franchise Tax to highway maintenance, restoration and improvements.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Miles of State maintained highways	40,244	40,211	40,166	40,129	40,097	40,073	40,052
Miles of State maintained highways improved:							
Structural restoration	186	324	335	355	234	255	255
Maintenance resurfacing	2,952	3,413	2,800	2,680	2,456	2,410	2,410
Surface repairs	3,944	3,466	3,200	3,130	3,045	3,100	3,100
Total	7,082	7,203	6,335	6,165	5,735	5,765	5,765
Truck weight and safety enforcement:							
Trucks weighed	204,659	250,000	400,000	400,000	400,000	400,000	400,000
Weight violations	3,879	4,000	6,900	6,900	6,900	6,900	7,600
Trucks inspected	17,267	20,000	20,000	20,000	20,000	20,000	20,000
Safety violations	49,735	50,000	52,000	52,000	54,000	54,000	54,000

Miles of State maintained highways improved data has been restated from last year's budget to reflect a change in program emphasis to a higher level of road maintenance.

Trucks weighed and weight violations are lower in 1997-98 and 1998-99 than shown in last year's budget due to the temporary closing of a weight station for equipment upgrade. The decrease for 1999-00 and the planning years is the result of a refocus in the type of inspections being performed to include more mobile inspection sites.

Program: State Highway and Bridge Maintenance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>GENERAL FUND Welcome Centers</p> <p>\$ 170</p>	<p>—to continue current program.</p>	<p>\$ 45,000</p>	<p>Highway Maintenance Safety Projects —Initiative — Highway Maintenance Safety Projects. To enhance road safety conditions in 67 counties.</p>
<p>MOTOR LICENSE FUND Highway Maintenance</p> <p>\$ 11,474</p>	<p>—to continue current program.</p>	<p>\$ -1,185</p>	<p>Reinvestment-Facilities —nonrecurring projects.</p>
<p>Secondary Roads — Maintenance and Resurfacing</p> <p>\$ 504</p>	<p>—to continue current program.</p>	<p>150</p> <p>\$ -1,035</p>	<p>—to continue current program.</p> <p><i>Appropriation Decrease</i></p>
<p>Preventive Maintenance</p> <p>\$ -50,000</p>	<p>—nonrecurring item.</p>		

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Welcome Centers	\$ 1,434	\$ 1,767	\$ 1,937	\$ 1,976	\$ 2,016	\$ 2,056	\$ 2,097
MOTOR LICENSE FUND:							
Highway Maintenance	\$ 625,585	\$ 609,932	\$ 621,406	\$ 630,000	\$ 640,000	\$ 670,000	\$ 690,000
Secondary Roads — Maintenance and Resurfacing (EA)	61,100	61,165	61,669	62,039	62,434	62,810	63,188
Highway Maintenance One Time							
Surface Improvements	41,000	0	0	0	0	0	0
Preventive Maintenance	0	50,000	0	0	0	0	0
Highway Maintenance Safety Projects	0	0	45,000	0	0	0	0
Reinvestment — Facilities	6,000	7,175	6,140	6,000	6,000	6,000	6,000
TOTAL MOTOR LICENSE FUND	\$ 733,685	\$ 728,272	\$ 734,215	\$ 698,039	\$ 708,434	\$ 738,810	\$ 759,188

PROGRAM OBJECTIVE: To assist local governments in the maintenance and construction of their portion of the total highway and bridge system.

Program: Local Highway and Bridge Assistance

The Commonwealth provides a number of programs to assist municipalities in the maintenance and construction of their highway and bridge systems.

Legislatively mandated programs earmark a portion of Pennsylvania's liquid fuels tax and oil franchise tax for local governments to use on their roads. These include:

Liquid Fuels Tax

- The first one-half cent of the twelve cent per gallon liquid fuel tax is deposited directly into the Liquid Fuels Tax Fund and apportioned to the 67 counties.
- Of the remaining eleven and one-half cents fuel tax, 20 percent is distributed from the Motor License Fund to 2,572 municipalities.

Oil Franchise Tax

- In addition to the distribution of 20 percent of the remaining eleven and one-half cent liquid fuels tax, the 2,572 municipalities also receive:
 - 20 percent of the first 35 mills of the 60 mill oil franchise tax.
 - Twelve percent of an additional 55 mill portion of the oil franchise tax as provided for in Act 26 of 1991.
 - Another twelve percent of an additional 38.5 mill oil franchise tax created by Act 3 of 1997.

Motor License Fund

- In 1980 the General Assembly established an annual appropriation of \$5 million to be returned to local governments for further highway improvements.

Act 32 of 1983 established a local highway turnback program by authorizing the establishment of a separate restricted revenue account within the Motor License Fund. Funding for this program currently consists of three mills of the oil franchise tax. Funds deposited into this account are used for restoration work to upgrade State designated

roads that function as local roads to acceptable standards and to provide annual maintenance payments in the amount of \$2,500 per mile. Since inception of the program in 1983 more than 4,100 miles of these roads have been returned to the Commonwealth's municipalities.

The General Assembly established improvements to local bridges through the Highway Bridge Capital Act of 1982 and subsequent amendments. As with the State bridges contained in these capital acts, the improvements are funded through the following sources:

- Annual registration fees for Commonwealth registered vehicles having a registered weight in excess of 26,000 pounds.
- A 55 mill oil franchise tax effective October 1, 1997 (Act 3 of 1997), which replaced a six cents per gallon tax previously charged, and is based on the average wholesale price of motor fuel used by carriers in the operation of their commercial vehicles on roads located within the Commonwealth.
- One percent of an additional 55 mill oil franchise tax is provided by Act 26 of 1991 for local bridge funding.

Funds from these sources are distributed to local governments based on project costs.

A local bridge inspection program, funded from the Highway Maintenance appropriation included in the State Highway and Bridge Maintenance Subcategory, is being administered by the department to assist local governments in meeting the requirements of National Bridge Inspection Standards as mandated by Federal Law. This action prevents the potential loss of Federal aid for noncompliance of standards as well as minimizing future tort liability in this area. Because of the benefits of this program to local governments, the General Assembly has authorized that the cost of the inspections be deducted from the municipalities liquid fuels tax allocation.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Miles of highway locally administered:							
Total	75,064	75,449	75,826	76,179	76,527	76,871	77,222
Percent of all highways in the							
Commonwealth	65.1%	65.2%	65.4%	65.5%	65.6%	65.7%	65.8%
Miles of local highways improved	1,587	1,650	1,700	1,700	1,700	1,700	1,700
Local bridges:							
Total (greater than 20 feet)	6,330	6,335	6,340	6,345	6,350	6,355	6,360
Brought up to standard through State							
Bridge Program	35	66	65	65	65	65	65

Local bridges brought up to standard through the State Bridge Program for the 1997-98 fiscal year is lower than projected in last year's budget due to the deferral of several projects.

Program: Local Highway and Bridge Assistance (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Local Road Maintenance and Construction Payments

\$ -6,181 —to continue program based on current year estimated revenue collections.

Supplemental Local Road Maintenance and Construction Payments is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
MOTOR LICENSE FUND:							
Local Road Maintenance and Construction Payments	\$ 173,941	\$ 181,173	\$ 174,992	\$ 178,402	\$ 179,520	\$ 180,675	\$ 181,776
Supplemental Local Road Maintenance and Construction Payment	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL MOTOR LICENSE FUND	\$ 178,941	\$ 186,173	\$ 179,992	\$ 183,402	\$ 184,520	\$ 185,675	\$ 186,776



PROGRAM OBJECTIVE: *To provide frequent, fast, inexpensive transit services between residential neighborhoods and employment centers at a level sufficient to alleviate prevailing pressures on urban road systems caused by congestion and lack of parking facilities and to provide transit service that will increase the mobility of rural Pennsylvanians.*

Program: Mass Transportation

Act 26 of 1991 made numerous revisions to the Pennsylvania Mass Transportation Law including the establishment of the Public Transportation Assistance Fund. This fund provides a dedicated source of revenue to the Commonwealth's transit providers that can be used for capital replacement or asset maintenance. This source of transit revenue is in addition to the mass transit assistance program funded by the General Fund. The General Fund program is based on fixed percentages of the total amount appropriated annually by the General Assembly. These percentages take into consideration historical funding, fare box revenues and vehicle miles. Under this formula three classes of urban transit entities have been established based on the number of vehicles operated during peak hours. A local or private funding commitment is required in an amount not less than one-third of the total State grant. Each system is required to

adopt a specific series of service standards and performance evaluation measures. The Commonwealth, along with Federal and local governments, provide grants to the State's twenty-one urban transit systems.

Current State authorizing legislation for mass transportation assistance, Act 26 of 1991, provides funding for a fourth class of transit entity to include rural and small urban transit entities once mass transportation assistance has reached a "trigger" amount. Beginning with 1995-96, rural and small urban entities are funded from the Mass Transportation Assistance appropriation since the trigger amount was exceeded.

Act 3 of 1997 provides additional State funding for urban, rural and community transportation systems by dedicating 1.22 percent of sales and use tax collections, up to a maximum of \$75 million per year, for this purpose.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Passengers carried by State-assisted operators (millions annually)	284.4	304.1	310.6	313.6	316.6	318.5	320.4
Passengers per vehicle hour	29.3	29.3	29.3	29.1	28.9	28.5	28.1
Percentage share of average income of mass transit trips:							
From passenger	42.5	43.1	42.8	42.4	41.9	41.7	41.4
From Commonwealth	46.6	48.2	46.6	47.0	47.5	47.7	48.0
From Federal Government	1.4	1.3	1.2	1.2	1.2	1.2	1.2
From local government	9.5	9.4	9.4	9.4	9.4	9.4	9.4

The percentage share of average income of mass transit trips for 1997-98 and 1998-99 have been restated from last year's budget to reflect the impact of a transit strike. In addition, the new Federal reauthorization legislation virtually eliminates operating assistance which resulted in a decrease from last year in the Federal Government percentage share.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 10 **Rail Safety Inspection**
—to continue current program.

The Mass Transportation Assistance and Rural Transportation Assistance appropriations are recommended at the current year level.

In addition, the Promoting Self-Sufficiency and Responsibility Program Revision following the Income Maintenance Program in the Department of Public Welfare provides \$4,366,000 for transportation services to assist welfare recipients and low-income working families access employment.

Program: Mass Transportation (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Rail Safety Inspection	\$ 407	\$ 419	\$ 429	\$ 438	\$ 447	\$ 456	\$ 465
Mass Transportation Assistance	254,663	254,663	254,663	254,663	254,663	254,663	254,663
Rural Transportation Assistance	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL GENERAL FUND	\$ 257,070	\$ 257,082	\$ 257,092	\$ 257,101	\$ 257,110	\$ 257,119	\$ 257,128

PROGRAM OBJECTIVE: *To facilitate the development of improved rail, cargo service and intercity bus service between major urban areas of the Commonwealth, thereby providing relief for over utilized intercity highway and air systems.*

Program: Intercity Transportation

Commonwealth activities involve three separate intercity transportation programs: intercity bus service such as that operated by Greyhound and Trailways, Commonwealth flight services, and rail freight service of importance to local shippers on the State's Rail Branchline System.

The Commonwealth's intercity bus program supports systems where, without operating assistance, essential service would be terminated. It is estimated that about 358,000 passengers will utilize Commonwealth subsidized intercity bus services in 1998-99. As private operators propose termination of such services, the Department of Transportation will continue to evaluate the economic and social impacts of service termination and the merits of public subsidy. Federal funds are also available to support intercity bus operations and supplement the existing State-sponsored program.

The Commonwealth's rail freight network provides a competitive cost advantage for business and industry that depend upon cost effective transportation of bulk commodities.

In reaction to the pending abandonment of former Penn Central, Erie/Lackawanna and Lehigh Valley rail lines, Pennsylvania became actively involved in a rail freight assistance program in the late 1970's. With financial assistance from the Federal Railroad Administration, the Department of Transportation purchased 155 miles of track that were not retained in the Conrail system. Additional lines were saved from abandonment through acquisition

by the private sector or local government with financial assistance from the Federal Government. While the Federal Government initially provided operating subsidies for lines that were not included in the Conrail System, the Federal operating subsidy program was terminated after 1981.

The Commonwealth continues to own 103 miles of rail line that serves 46 industries. Commonwealth assistance is provided in the form of program maintenance grants for which the State provides 80 percent of the project funding.

Another component of the Commonwealth's rail freight program is assistance for accelerated maintenance and capital projects on non-State-owned lines. The Accelerated Maintenance Program was established in 1982 in response to a substantial, expedited abandonment program undertaken by Conrail in accordance with provisions of the Northeast Rail Service Act (NERSA) of 1981. NERSA allowed Conrail to rid itself of unprofitable lines in a procedure not subject to appeal, as one of a number of ways for the Conrail system to achieve profitability. Under this Commonwealth program, funding is provided for basic track rehabilitation and other infrastructure improvements.

The State share for the larger capital projects comes from bond funds and generally represents 50 percent of the total project cost. Accelerated maintenance projects are funded from current revenues through the Rail Freight Assistance appropriation. Transportation generally provides 75 percent of the funding for accelerated maintenance projects.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Intercity Bus:							
Passengers handled	344,760	358,000	367,000	367,000	367,000	367,000	367,000
Subsidy per bus mile .....	.46	.51	.52	.52	.52	.52	.52
Rail Freight:							
Miles of rail lines:							
State assisted	350	350	350	350	350	350	350
State owned	103	103	103	103	103	103	103
Miles of rail lines rehabilitated:							
State assistance program	300	300	300	300	300	300	300

Intercity bus passengers handled has increased from last year's budget due to increased utilization and the addition of new routes. This, in turn, has caused a decrease in the subsidy per bus mile shown in last year's budget.

Program: Intercity Transportation (continued)

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

\$ 149 Intercity Transportation
—to continue current program.

Rail Freight Assistance is recommended at the current year level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Intercity Transportation	\$ 1,888	\$ 1,945	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094
Rail Freight Assistance	7,924	8,500	8,500	8,500	8,500	8,500	8,500
TOTAL GENERAL FUND	\$ 9,812	\$ 10,445	\$ 10,594	\$ 10,594	\$ 10,594	\$ 10,594	\$ 10,594



PROGRAM OBJECTIVE: To promote the development of a system of airport facilities adequate to meet the passenger and cargo needs of the Commonwealth's citizens.

Program: Air Transportation

Aviation plays a major role in the movement of passengers and cargo throughout the Commonwealth. With over 835 landing areas, Pennsylvania is fourth nationally in both the number of airports and in landing facilities per square mile. In addition to facilitating the movement of people and goods, air transportation facilities bring substantial economic benefits to the State directly through air transportation or related jobs and indirectly through additional incentives to industry to locate and conduct business in Pennsylvania. On January 2, 1998, the Commonwealth signed an agreement with a local authority to divest itself of Harrisburg International and Capital City Airports. This action had previously been approved by Act 60 of 1997. The local authority assumed operations of these airports immediately. Local governments or authorities operate all airline service airports in Pennsylvania.

The department provides programs to improve the safety and effectiveness of the Commonwealth's aviation network. These program activities include the highway

directional sign program, the program to place high visibility markers on power lines near runways, maintenance of 42 aviation weather information systems throughout the State, and an airport inspection and licensing program.

The department also administers grant programs which are funded from the Aviation Restricted Revenue Account. These grant programs include:

- An airport development grant program for public use airports based on the site and economic viability of the project.
- Business airport and runway rehabilitation grants. Grants provide a maximum of twelve and one-half percent of the total project cost for Federally funded projects and a maximum of seventy-five percent of the total project costs for nonfederal funded projects.
- A real estate tax rebate program for public airports which is funded exclusively from the Statewide aviation fuel tax.

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Airports receiving State grants:							
Airport development grants	49	49	51	53	53	54	54

Airport development grants have decreased from those shown in last year's budget because fewer and larger grants were awarded in 1997-98.

Program Recommendations:

The budget recommends the Airport Development Grants Program at the \$7.5 million level. This is an increase of \$1 million over the current year level. It is funded from the Aviation Restricted Revenue Account.

PROGRAM OBJECTIVE: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Program: Safety Administration and Licensing

The Safety Administration and Licensing Program is responsible for a number of front-line customer services that affect most of Pennsylvania's adult population such as the issuance of vehicle registrations and driver's licenses. The department is responsible for processing applications and collecting fees for all vehicle registrations, titles and operator licenses. Last year, over 9.9 million vehicles were registered under Pennsylvania's annual renewal cycle. This total included over 182,000 heavy trucks greater than 17,000 pounds and more than 106,000 trailers greater than 10,000 pounds. The number of licensed drivers has remained constant over the past few years at 8 million, including 320,000 commercial drivers. The four-year drivers license expiration cycle is staggered so that about two million renewals are processed each year.

The testing, inspection and revocation aspects of operator and vehicular licensing activities fall within the Safety Administration Program. The driver's testing program is designed to screen out applicants with insufficient driving knowledge or skills as well as identify applicants with mental or physical disabilities. The department also operates the Driver's License Examination Program. More than a million driving knowledge tests are conducted each year so those applicants can be certified to operate passenger and commercial vehicles. A Statewide network of facilities is utilized to conduct written, oral and skills tests. In compliance with the Federal Commercial Motor Vehicle Safety Act of 1986, commercial and bus operators receive a specialized written and driving test.

The safety inspection program for the Commonwealth's more than 9 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The Commonwealth's current emission inspection program inspects 3.4 million vehicles annually with the intended purpose of improving air quality. The department licenses inspection stations, trains vehicle inspectors, and monitors the work of mechanics to assure compliance with approved safety standards.

Pennsylvania enforcement officials are responsible for the issuance of citations for vehicle code violations. Over one-half of the one million citations issued annually result 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 revokes

licenses for an accumulation of points. Commercial drivers may be sanctioned by having their commercial driving privilege revoked for certain offenses if committed in a commercial motor vehicle. The department, however, is authorized to issue an Occupational Limited License (OLL) to certain suspended drivers if mandated criteria for eligibility is met. The license is limited to specific hours and destinations as described by the applicant and approved by the department. A new law that affects "habitual offenders" took effect in September 1995. Act 143 of 1994 redefines the criteria used to classify habitual offenders — people whose driving privileges have been revoked for five years or longer due to an accumulation of three or more convictions for certain serious offenses. This legislation also established a "Probationary License," which is not restricted to work-related use. Successful applicants must meet strict criteria.

The Safety Administration and Licensing Program also administers provisions of the National Voter Registration Act of 1993, better known as "Motor Voter," and the Commonwealth's Organ Donor Program.

The department also processes cancellation notices received from insurance companies. Notification of cancellation prompts the department to have registrants revalidate proper insurance coverage for the vehicle. This program combined with the authority granted enforcement officials to cite motorists detected as not having insurance can result in a revocation or suspension of vehicle registration.

The Department of Transportation currently has 98 offices Statewide that offer driver examination and/or photo licensing services and is working with private business to further decentralize its driver and vehicle services to improve access. The computerized on-line messenger program, which connects the private business with the Department of Transportation, has been the cornerstone in this effort. Currently there are 53 messenger sites on-line, with further expansion planned through 1999. 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. In addition the department has instituted a mobile driver and services unit and is implementing a pilot program that enables driver education teachers at schools to administer the skill test to their students.

Program: Safety Administration and Licensing (continued)

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Vehicles inspected:							
Safety inspections	9,040,200	9,119,694	9,210,891	9,303,000	9,396,030	9,489,990	9,584,890
Emission inspections	3,300,000	3,400,000	3,470,000	3,540,000	3,630,000	3,700,000	3,790,000
Registrations:							
New	1,638,000	1,646,190	1,654,421	1,662,693	1,671,006	1,673,361	1,680,054
Renewed	8,352,000	8,393,760	8,435,729	8,477,907	8,520,297	8,562,898	8,605,712
Licensed drivers:							
New	283,700	283,700	283,700	283,700	283,700	283,700	283,700
Renewed	2,053,600	2,177,000	2,220,000	2,165,000	2,110,000	1,920,000	2,220,000
New commercial drivers licensed	19,640	19,640	19,640	19,640	19,640	19,640	19,640
Photo identification cards issued (non-driver photo)							
	185,400	185,400	185,400	185,400	185,400	185,400	185,400

Starting with 1999-00, emission inspections has been restated from last year's budget due to the current appeals to, and discussions with, the Environmental Protection Agency.

Driver licenses renewed is higher than in last year's budget based upon more recent actual figures.

The number of photo identification cards issued is higher than in last year's budget due to the increased number and accessibility of photo license centers as well as an increase in demand.

Program Recommendations:	This budget recommends the following changes: (Dollar Amounts in Thousands)
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	GENERAL FUND		
\$ 45	Vehicle Sales Tax Collections —to continue current program.	875	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides technical support for developing and maintaining transportation technology systems. See the Program Revision following the Executive Direction Program in the Executive Offices for additional information.
\$ 279	Voter Registration —to continue current program.		
\$ -2,500	DUI Equipment Grants —nonrecurring grants.	\$ 6,352	<i>Appropriation Increase</i>
	MOTOR LICENSE FUND		
\$ 3,374	Safety Administration and Licensing —to continue current program.	\$ -1,400	Enhanced Titling and Registration —nonrecurring projects.
1,103	—Initiative — Relocation of Driver Licensing Centers. To provide for the relocation and expansion of three Drivers Licensing Centers, located in Philadelphia, Washington County, and Lackawanna County.	10,100	—Initiative — License Plate Reissuance. To provide for the production and the reissuance of motor vehicle license plates.
1,000	—PRR — Enhancing Information Technology to Better Serve Pennsylvania. This Program Revision provides technical support to implement enhanced information technology processes in the drivers licensing and registration programs to improve customer service. See the Program Revision following the Executive Direction Program in the Executive Offices for additional Information.	\$ 8,700	<i>Appropriation Increase</i>



Continuing to expand the On-Line Messenger Service operated by the Pennsylvania Department of Transportation to make major services more accessible to the public.

Program: Safety Administration and Licensing (continued)

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Vehicle Sales Tax Collections	\$ 1,757	\$ 1,810	\$ 1,855	\$ 1,892	\$ 1,930	\$ 1,969	\$ 2,008
Voter Registration	621	648	927	946	965	984	1,004
DUI Equipment Grants	0	2,500	0	0	0	0	0
TOTAL GENERAL FUND	\$ 2,378	\$ 4,958	\$ 2,782	\$ 2,838	\$ 2,895	\$ 2,953	\$ 3,012
MOTOR LICENSE FUND:							
Safety Administration and Licensing	\$ 88,334	\$ 93,593	\$ 99,945	\$ 98,906	\$ 100,884	\$ 102,902	\$ 104,960
Enhanced Titling and Registration	0	1,400	10,100	13,668	6,222	1,020	1,020
TOTAL MOTOR LICENSE FUND	\$ 88,334	\$ 94,993	\$ 110,045	\$ 112,574	\$ 107,106	\$ 103,922	\$ 105,980

PROGRAM OBJECTIVE: To provide transportation services to older Pennsylvanians thereby increasing their ability to more fully participate in community life.

Program: Older Pennsylvanians Transit

The Commonwealth's older citizens have benefited from greater mobility since the implementation of the Free Transit Program in 1973. The program is funded by State Lottery proceeds. Under this program, Pennsylvanians 65 years of age or older are eligible for free rides on participating local fixed route operations during off-peak hours on weekdays and all day on weekends and holidays. In July 1980, the free service was extended to commuter rail lines.

The Shared Ride Program for older Pennsylvanians authorized by Act 101 of 1980, and amended by Act 36 of 1991, permits citizens 65 years of age or older to ride on shared-ride, demand responsive transportation services

operating on a non-fixed route basis, and pay 15 percent of the fare. The State Lottery Fund reimburses shared-ride transit operators the remaining 85 percent of the shared-ride fare.

The Free Transit and Shared Ride Programs recognize the limited availability of private transportation for older Pennsylvanians and their reliance upon public transportation facilities. They further recognize that many retired persons must live within a fixed and limited income and cannot afford to use public transit as often as needed.

The Fixed Route program provides financial support for the Keystone Rail Service (Harrisburg/Philadelphia).

Program Measures:	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Free transit trips	43,190,064	45,196,928	45,832,542	46,749,193	47,684,177	48,637,860	49,610,617
Trips on State assisted shared ride vehicles ..	6,511,644	6,639,000	6,772,000	6,907,000	7,045,000	7,186,000	7,330,000
Cost to the Commonwealth per trip:							
Free Transit	\$1.47	\$1.48	\$1.55	\$1.55	\$1.55	\$1.55	\$1.55
State assisted shared ride vehicles	\$8.47	\$8.89	\$9.25	\$9.62	\$10.00	\$10.40	\$10.80
Intercity Rail:							
Passengers handled	193,000	194,000	230,000	230,000	250,000	260,000	260,000
Subsidy per passenger mile	\$0.15	\$0.16	\$0.17	\$0.17	\$0.13	\$0.13	\$0.13

Free transit trips and trips on State assisted shared ride vehicle are lower than in last year's budget based on projections reflecting actual ridership.

The cost to the Commonwealth per trip for free transit includes Fixed Route Transit and Older Pennsylvanians Free Transit funding.

The intercity rail passengers handled measure has increased from last year due to increased utilization and, starting with 1999-00, an increase in the number of trips. This, in turn, has caused a decrease in the subsidy per passenger mile, compared to the estimate shown in last year's budget.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

LOTTERY FUND			
\$ 2,056	Older Pennsylvanians Shared Rides —to continue current program.	\$ -4,957	Older Pennsylvanians Free Transit —to continue current program.

Fixed Route Transit is recommended at the current year funding level.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Fixed Route Transit	\$ 13,352	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090	\$ 25,090
LOTTERY FUND:							
Older Pennsylvanians Free Transit	\$ 56,061	\$ 61,070	\$ 63,126	\$ 64,388	\$ 65,570	\$ 66,880	\$ 68,220
Older Pennsylvanians Shared Rides	53,987	61,957	57,000	58,140	59,302	60,488	61,695
TOTAL LOTTERY FUND	\$ 110,048	\$ 123,027	\$ 120,126	\$ 122,528	\$ 124,872	\$ 127,368	\$ 129,915





LEGISLATURE

The General Assembly of Pennsylvania formulates and enacts the public policy of the Commonwealth. Through legislation and resolution, it defines the functions of the State Government, provides for revenue for the Commonwealth and appropriates money for the operation of State agencies and other purposes.

The General Assembly is composed of two bodies—the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by proclamation of Governor.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Senate:			
Fifty Senators.....	\$ 3,674	\$ 3,968	\$ 4,200
Senate President - Personnel Expenses.....	257	263	263
Employees of Chief Clerk.....	4,600	4,600	4,600
Salaried Officers and Employees.....	5,810	6,265	6,750
Reapportionment Expenses.....	0	200	0
Incidental Expenses.....	1,900	1,995	2,061
Postage - Chief Clerk and Legislative Journal.....	1,290	1,450	1,400
President.....	5	5	5
President Pro Tempore.....	20	20	20
Floor Leader (R).....	7	7	7
Floor Leader (D).....	7	7	7
Whip (R).....	6	6	6
Whip (D).....	6	6	6
Chairman of the Caucus (R).....	3	3	3
Chairman of the Caucus (D).....	3	3	3
Secretary of the Caucus (R).....	3	3	3
Secretary of the Caucus (D).....	3	3	3
Chairman of the Appropriations Committee (R).....	6	6	6
Chairman of the Appropriations Committee (D).....	6	6	6
Chairman of the Policy Committee (R).....	2	2	2
Chairman of the Policy Committee (D).....	2	2	2
Caucus Administrator (R).....	2	2	2
Caucus Administrator (D).....	2	2	2
Committee on Appropriations (R).....	2,771	2,840	2,908
Committee on Appropriations (D).....	2,771	2,840	2,908
Expenses - Senators.....	575	575	575
Legislative Printing and Expenses.....	6,851	7,022	7,022
Computer Services (R).....	3,167	3,246	3,324
Computer Services (D).....	3,167	3,246	3,324
Special Leadership Account (R).....	7,929	8,127	8,322
Special Leadership Account (D).....	7,929	8,127	8,322
Legislative Management Committee (R).....	5,032	5,158	5,282
Legislative Management Committee (D).....	5,032	5,158	5,282
Senate Flag Purchase.....	24	24	24
National Conference of State Legislatures - Conference.....	400	0	0
Senate SERS Annuitant Cost of Living Increase.....	0	186 ^a	0
Subtotal.....	\$ 63,262	\$ 65,373	\$ 66,650
House of Representatives:			
Members' Salaries, Speaker's Extra Compensation.....	\$ 15,978	\$ 16,457	\$ 16,951
House Employees (R).....	8,266	8,514	8,770
House Employees (D).....	8,266	8,514	8,770
Speaker's Office.....	745	767	791
Bi-Partisan Committee, Chief Clerk, Comptroller.....	6,315	6,504	6,700
Reapportionment Expenses.....	0	200	200
Mileage - Representatives, Officers and Employees.....	200	200	200
Chief Clerk and Legislative Journal.....	1,500	1,500	1,500
Speaker.....	20	20	20
Chief Clerk.....	643	643	643
Floor Leader (R).....	7	7	7
Floor Leader (D).....	7	7	7
Whip (R).....	6	6	6
Whip (D).....	6	6	6
Chairman - Caucus (R).....	3	3	3
Chairman - Caucus (D).....	3	3	3
Secretary - Caucus (R).....	3	3	3



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Secretary - Caucus (D).....	3	3	3
Chairman - Appropriations Committee (R).....	6	6	6
Chairman - Appropriations Committee (D).....	6	6	6
Chairman - Policy Committee (R).....	2	2	2
Chairman - Policy Committee (D).....	2	2	2
Caucus Administrator (R).....	2	2	2
Caucus Administrator (D).....	2	2	2
Administrator for Staff (R).....	20	20	20
Administrator for Staff (D).....	20	20	20
Legislative Office for Research Liaison.....	492	507	523
Incidental Expenses.....	5,775	5,775	5,775
Expenses - Representatives.....	3,100	3,100	3,100
Legislative Printing and Expenses.....	19,500	19,500	19,500
Members' Home Office Expenses.....	2,100	2,100	2,100
National Legislative Conference - Expenses.....	194	194	194
Committee on Appropriations (R).....	1,543	1,589	1,637
Committee on Appropriations (D).....	1,543	1,589	1,637
Special Leadership Account (R).....	9,120	9,394	9,676
Special Leadership Account (D).....	9,120	9,394	9,676
Legislative Management Committee (R).....	10,492	10,807	11,132
Legislative Management Committee (D).....	10,492	10,807	11,132
Commonwealth Emergency Medical System.....	35	35	35
House Flag Purchase.....	24	24	24
School for New Members.....	0	15	0
Asbestos Removal & Wiring-House Chamber.....	1,200	0	0
House SERS Annuitant Cost of Living Increase.....	0	321 ^a	0
Subtotal.....	\$ 116,761	\$ 118,568	\$ 120,784
Legislative Reference Bureau:			
Legislative Reference Bureau - Salaries & Expenses.....	\$ 5,219	\$ 5,848	\$ 5,979
Contingent Expenses.....	15	20	20
Printing of PA Bulletin and PA Code.....	425	425	425
Subtotal.....	\$ 5,659	\$ 6,293	\$ 6,424
Legislative Budget and Finance Committee.....	\$ 2,020	\$ 2,020	\$ 2,020
Legislative Miscellaneous and Commissions:			
Legislative Data Processing Center.....	\$ 2,900	\$ 2,900	\$ 3,453
Joint State Government Commission.....	1,712	1,712	1,720
Local Government Commission.....	685	750	755
Local Government Codes.....	48	48	23
Joint Legislative Air and Water Pollution Control Committee.....	310	320	380
Legislative Audit Advisory Commission.....	143	147	150
Independent Regulatory Review Commission.....	1,315	1,725	1,700
Capitol Preservation Committee.....	500	500	650
Capitol Restoration.....	2,010	2,010	3,510
Colonial History.....	187	187	187
Commission on Sentencing.....	647	695	500
Center For Rural Pennsylvania.....	944	963	982
Health Care Cost Containment Council.....	2,905	3,172	3,346
State Ethics Commission.....	1,185	1,413	1,484
Misc. Commissions - SERS Annuitant Cost of Living Increase.....	0	53 ^a	0
Subtotal.....	\$ 15,491	\$ 16,595	\$ 18,840
Total - General Government.....	\$ 203,193	\$ 208,849	\$ 214,718
GENERAL FUND TOTAL.....	\$ 203,193	\$ 208,849	\$ 214,718

^a From distribution of SERS Annuitant Cost of Living Increase appropriation.

Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
LEGISLATURE							
GENERAL FUND.....	\$ 203,193	\$ 208,849	\$ 214,718	\$ 214,683	\$ 214,683	\$ 214,683	\$ 214,683
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
SUBCATEGORY TOTAL.....	\$ 203,193	\$ 208,849	\$ 214,718	\$ 214,683	\$ 214,683	\$ 214,683	\$ 214,683
ALL PROGRAMS:							
GENERAL FUND.....	\$ 203,193	\$ 208,849	\$ 214,718	\$ 214,683	\$ 214,683	\$ 214,683	\$ 214,683
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	0	0	0	0	0	0	0
DEPARTMENT TOTAL.....	\$ 203,193	\$ 208,849	\$ 214,718	\$ 214,683	\$ 214,683	\$ 214,683	\$ 214,683

PROGRAM OBJECTIVE: To formulate and enact the public policy of the Commonwealth, to define the functions of State Government, to provide revenue for the Commonwealth and to appropriate money for the operation of State agencies and for other purposes.

Program: Legislature

This program provides for the operation of the General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives, funded by

numerous General Fund appropriations. These appropriations are detailed in the Summary by Fund and Appropriation portion of this presentation.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

Legislature
 \$ 5,869 —to continue current program.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
TOTAL GENERAL FUND	\$ 203,193	\$ 208,849	\$ 214,718	\$ 214,683	\$ 214,683	\$ 214,683	\$ 214,683



JUDICIARY

The objective 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 District Justices, Philadelphia Municipal Court, Philadelphia Traffic Court and the Pittsburgh Magistrate Court.



Summary by Fund and Appropriation

(Dollar Amounts in Thousands)

	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
GENERAL FUND:			
<i>General Government:</i>			
Supreme Court:			
Supreme Court.....	\$ 9,101	\$ 9,729 ^a	\$ 10,341
(A) Filing Fees.....	332	328	328
Justices Expenses.....	180	180	180
Study Unified Judiciary.....	1,357	1,358 ^b	764
Statewide Funding - Court Administrator.....	0	2,859	2,573
Statewide Funding - Judicial Council.....	0	180	180
Statewide Funding - County Court Administrators.....	0	11,982 ^c	13,136
Statewide Funding - Court Management Education.....	0	200	150
Office of Legal Systems.....	192	0	0
Civil Procedural Rules Committee.....	326	337	340
Criminal Procedural Rules Committee.....	332	347	362
Domestic Relations Committee.....	133	135	143
Juvenile Court Rules Committee.....	0	65	168
Equity Commission.....	0	0	400
Court Administrator.....	5,077	5,118 ^d	6,034
(A) Miscellaneous.....	3	3	3
Integrated Criminal Justice System.....	342	1,950	3,375
Judicial Computer System.....	0	273 ^e	503
(R) Judicial Computer System.....	10,129	13,100	16,467
Subtotal.....	\$ 27,504	\$ 48,144	\$ 55,447
Superior Court:			
Superior Court.....	\$ 18,821	\$ 20,371 ^f	\$ 20,921
(A) Filing Fees.....	276	280	280
Judges Expenses.....	237	237	237
Subtotal.....	\$ 19,334	\$ 20,888	\$ 21,438
Commonwealth Court:			
Commonwealth Court.....	\$ 11,403	\$ 12,082 ^g	\$ 12,508
(A) Filing Fees.....	246	200	200
Judges Expenses.....	143	143	143
Court Security.....	200	150	150
Subtotal.....	\$ 11,992	\$ 12,575	\$ 13,001
Courts of Common Pleas:			
Courts of Common Pleas.....	\$ 51,608	\$ 53,894 ^h	\$ 55,318
Senior Judges.....	3,325	3,450	3,527
Judicial Education.....	498	677	727
Ethics Committee.....	0	54	54
Subtotal.....	\$ 55,431	\$ 58,075	\$ 59,626
District Justices:			
District Justices.....	\$ 41,739	\$ 42,613 ⁱ	\$ 44,555
Retired District Justices Health Care.....	0	97	0
District Justice Education.....	499	520	533
(A) Registration Fees.....	53	32	40
Subtotal.....	\$ 42,291	\$ 43,262	\$ 45,128
Philadelphia Courts:			
Traffic Court.....	\$ 653	\$ 668 ^j	\$ 658
Municipal Court.....	4,134	4,399 ^k	4,394
Law Clerks.....	39	39	39
Domestic Violence Services.....	200	200	200
Subtotal.....	\$ 5,026	\$ 5,306	\$ 5,291



Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1997-98 ACTUAL	1998-99 AVAILABLE	1999-00 BUDGET
Pittsburgh Magistrate Court	\$ 5,475	\$ 1,200	\$ 1,200
Judicial Conduct Board	866	891	929
Court of Judicial Discipline	360	374	398
Subtotal - State Funds.....	\$ 157,240	\$ 176,772	\$ 185,140
Subtotal - Augmentations.....	910	843	851
Subtotal - Restricted Revenues.....	10,129	13,100	16,467
Total - General Government.....	\$ 168,279	\$ 190,715	\$ 202,458
Grants and Subsidies:			
Reimbursement of County Costs:			
Jurors.....	\$ 1,469	\$ 1,469	\$ 1,469
County Courts.....	29,071	29,071	30,401
Subtotal.....	\$ 30,540	\$ 30,540	\$ 31,870
Total - Grants and Subsidies.....	\$ 30,540	\$ 30,540	\$ 31,870
STATE FUNDS.....	\$ 187,780	\$ 207,312	\$ 217,010
FEDERAL FUNDS.....	0	0	0
AUGMENTATIONS.....	910	843	851
RESTRICTED REVENUES.....	10,129	13,100	16,467
GENERAL FUND TOTAL	\$ 198,819	\$ 221,255	\$ 234,328

- ^a Includes \$13,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^b Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^c Includes \$16,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^d Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^e Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^f Includes \$27,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^g Includes \$17,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^h Includes \$109,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ⁱ Includes \$84,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^j Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^k Includes \$7,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.
- ^l Includes \$1,000 from distribution of SERS Annuitant Cost of Living Increase appropriation.



Program Funding Summary

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
STATE JUDICIAL SYSTEM							
GENERAL FUND.....	\$ 187,780	\$ 207,312	\$ 217,010	\$ 220,703	\$ 224,467	\$ 228,305	\$ 232,222
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,039	13,943	17,318	17,665	18,019	18,380	18,748
SUBCATEGORY TOTAL.....	\$ 198,819	\$ 221,255	\$ 234,328	\$ 238,368	\$ 242,486	\$ 246,685	\$ 250,970
ALL PROGRAMS:							
GENERAL FUND.....	\$ 187,780	\$ 207,312	\$ 217,010	\$ 220,703	\$ 224,467	\$ 228,305	\$ 232,222
SPECIAL FUNDS.....	0	0	0	0	0	0	0
FEDERAL FUNDS.....	0	0	0	0	0	0	0
OTHER FUNDS.....	11,039	13,943	17,318	17,665	18,019	18,380	18,748
DEPARTMENT TOTAL.....	\$ 198,819	\$ 221,255	\$ 234,328	\$ 238,368	\$ 242,486	\$ 246,685	\$ 250,970

PROGRAM OBJECTIVE: To provide the citizens of the Commonwealth with prompt and equitable justice

Program: State Judicial System

The judicial power of the Commonwealth is vested in a court system consisting of the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Philadelphia Municipal Court, Pittsburgh Magistrates Court, Traffic Court of Philadelphia and District Justices.

At the first level in the court system are the special courts. In counties other than Philadelphia, these courts are presided over by district justices who have jurisdiction over summary criminal cases, landlord-tenant matters and other civil actions where the amount claimed does not exceed \$4,000. They also have jurisdiction to issue warrants, hold arraignments and preliminary hearings in all criminal cases, and to accept guilty pleas under certain circumstances.

Although district justices need not be lawyers, they must complete an educational course and pass a qualifying examination administered by the Minor Judiciary Education Board in order to be certified. They must also participate in one week of continuing education each year.

In Philadelphia, the special courts are the Municipal Court and the Traffic Court. Municipal Court is a court of record whose 25 judges must be lawyers. Its limited jurisdiction is analogous to that of the district justices. The Philadelphia Traffic Court, composed of seven judges, has jurisdiction over all summary offenses under the Motor Vehicle Code and related city ordinances.

The City of Pittsburgh has six police magistrates in addition to the county district justices who may issue arrest warrants and preside at arraignments and preliminary hearings for all criminal offenses occurring within the city.

The Courts of Common Pleas are the courts of general trial jurisdiction. They have original jurisdiction over all cases which are not exclusively assigned to another court. Appellate jurisdiction extends to appeals from final orders of the lower courts and appeals from certain State and most local government agencies.

There are two levels of appellate courts in Pennsylvania. The lower level consists of the Superior Court with fifteen judges and the Commonwealth Court with nine judges. At the higher level, Pennsylvania's court of last resort is the Supreme Court, with seven justices.

In general, appeals from the Courts of Common Pleas are taken to one of the two intermediate appellate courts. Commonwealth Court basically has jurisdiction over appeals involving government agencies and officials, as well as many matters involving not-for-profit corporations. It also has original jurisdiction over Election Code matters and cases involving State officials. Superior Court has jurisdiction over all direct appeals which are not within the specific statutory jurisdiction of another appellate court.

As defined by the State Constitution, statute and court rule, the Administrative Office of Pennsylvania Courts (AOPC) administers the Commonwealth's court system. The AOPC provides services for approximately 1,600 members of the Judiciary and staff, including budgeting, accounting, benefits and retirement counseling, legal representation, policy guidance, technical advice, education, research, legislative affairs, communications, administration of the judicial computer project and data processing.

Pennsylvania's Supreme Court is continuing with a program known as the Judicial Computer Project which has the ultimate goal of computerization of the entire judicial system. The initial phase has computerized all of the 549 district justice offices throughout Pennsylvania. This has provided district justices with the electronic tools needed to effectively manage cases, and improve the accounting and reporting of the status of fees and fines.

The role of the Judicial Conduct Board is to investigate complaints regarding judicial conduct. Hearings are conducted by the Court of Judicial Discipline to determine whether a sanction should be imposed upon a member of the judiciary.

Program Recommendations:

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>Statewide Funding - County Court Administrators</p> <p>\$ 1,154 —for information technology equipment for county court staff.</p>	<p>Integrated Criminal Justice System</p> <p>\$ 1,425 —for extension of the criminal justice network (J-NET) to district justice offices.</p>
<p>Equity Commission</p> <p>\$ 400 —Initiative—Equity Commission. To establish a commission to study race and gender issues in the Pennsylvania court system.</p>	<p>Courts of Common Pleas</p> <p>\$ 854 —to maintain current program.</p> <p>570 —for eight new judges effective January 2000 as mandated by Act 2 of 1997.</p>
	<p>\$ 1,424 Appropriation Increase</p>



Program: State Judicial System (continued)

Program Recommendations: (continued)

This budget recommends the following changes: (Dollar Amounts in Thousands)

<p>District Justices</p> <p>\$ 1,883 —to maintain current program.</p> <p>59 —to increase senior justice service days.</p> <p>\$ 1,942 <i>Appropriation Increase</i></p>	<p>County Courts</p> <p>\$ 1,330 —for office expenses of the new Common Pleas judges that began serving in 1998.</p>
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This budget recommends all other appropriations either at levels based on estimated revenues or at levels to carry current programs forward. Recommendations include funding for salary increases for all judicial positions as specified in Act 51 of 1995.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
Supreme Court	\$ 9,101	\$ 9,729	\$ 10,341	\$ 10,548	\$ 10,759	\$ 10,974	\$ 11,193
Justices Expenses	180	180	180	180	180	180	180
Study Unified Judiciary	1,357	1,358	764	779	795	811	827
Statewide Funding - Court Administrator	0	2,859	2,573	2,624	2,676	2,730	2,785
Statewide Funding - Judicial Council	0	180	180	184	188	192	196
Statewide Funding - County Court Administrators	0	11,982	13,136	13,399	13,667	13,940	14,219
Statewide Funding - Court Management Education	0	200	150	153	156	159	162
Office of Legal Systems	192	0	0	0	0	0	0
Civil Procedural Rules Committee	326	337	340	347	354	361	368
Criminal Procedural Rules Committee	332	347	362	369	376	384	392
Domestic Relations Committee	133	135	143	146	149	152	155
Juvenile Court Rules Committee	0	65	168	171	174	177	181
Equity Commission	0	0	400	408	416	424	433
Court Administrator	5,077	5,118	6,034	6,155	6,278	6,404	6,532
Integrated Criminal Justice System	342	1,950	3,375	3,443	3,512	3,582	3,654
Judicial Computer System	0	273	503	513	523	533	544
Superior Court	18,821	20,371	20,921	21,339	21,766	22,201	22,645
Judges Expenses	237	237	237	237	237	237	237
Commonwealth Court	11,403	12,082	12,508	12,758	13,013	13,273	13,538
Judges Expenses	143	143	143	143	143	143	143
Court Security	200	150	150	153	156	159	162
Courts of Common Pleas	51,608	53,894	55,318	56,424	57,552	58,703	59,877
Senior Judges	3,325	3,450	3,527	3,598	3,670	3,743	3,818
Judicial Education	498	677	727	742	757	772	787
Ethics Committee	0	54	54	55	56	57	58
District Justices	41,739	42,613	44,555	45,446	46,355	47,282	48,228
Retired District Justices Health Care	0	97	0	0	0	0	0
District Justice Education	499	520	533	544	555	566	577
Philadelphia Traffic Court	653	668	658	671	684	698	712
Philadelphia Municipal Court	4,134	4,399	4,394	4,482	4,572	4,663	4,756
Law Clerks	39	39	39	40	41	42	43
Domestic Violence Services	200	200	200	204	208	212	216
Pittsburgh Magistrate Court	5,475	1,200	1,200	1,224	1,248	1,273	1,298
Judicial Conduct Board	866	891	929	948	967	986	1,006
Court of Judicial Discipline	360	374	398	406	414	422	430
Juror Cost Reimbursement	1,469	1,469	1,469	1,469	1,469	1,469	1,469
County Courts	29,071	29,071	30,401	30,401	30,401	30,401	30,401
TOTAL GENERAL FUND	\$ 187,780	\$ 207,312	\$ 217,010	\$ 220,703	\$ 224,467	\$ 228,305	\$ 232,222



GENERAL SALARY INCREASE

Program: General Salary Increase

This appropriation is provided to help offset any general salary and employe benefit increases which may be provided to State employes in 1999-00. The amount shown represents the General Fund amount exclusive of Federal and other funds contributions. Distribution will be made to the various agencies based upon the actual cost of any salary and benefit increases which are ultimately granted.

Appropriations within this Program:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL FUND:							
General Operations	\$ 0	\$ 0	\$ 42,000	\$ 42,840	\$ 43,697	\$ 44,571	\$ 45,462





Governor's Executive Budget

*CAPITAL
BUDGET*

CAPITAL BUDGET

Program Summary

This section contains the 1999-00 Capital Budget and Five Year Capital Program. The proposed funding sources and amounts needed to support capital programs are projected for five fiscal years.

All projects are grouped by categories regardless of the source of funding. The categories, as explained below, are consistently used for projects which are to be funded by Commonwealth debt obligations, current revenues and funds received from other jurisdictions. Funding source distinctions are clearly noted throughout the section which itemizes the recommended capital program.

Public Improvement Projects — This category includes various types of new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. The design and construction for the majority of these projects is administered by the Department of General Services. However, Keystone Recreation, Park and Conservation 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.

Transportation Assistance Projects — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the Commonwealth; and, (b) the acquisition, construction and equipping of rural and intercity common carrier surface transportation systems or any components thereof. 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.

Site Development Projects — This category provides grants for the acquisition, construction, improvement, expansion, extension, repair or rehabilitation of all or part of any facility or system,

whether publicly or privately owned, for the collection, treatment or disposal of wastewater, including industrial waste, or for the supply, treatment, storage or distribution of drinking water. These projects are administered by the Pennsylvania Infrastructure Investment Authority.

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.

The Capital Budget section consists of the following subsections.

1999-00 New Project Authorizations — This Section itemizes and describes the new capital projects recommended for authorization in 1999-00 and their proposed source of funding. The projects are listed by department and capital project category.

Impact on Operating Costs — The description of each capital project recommended for authorization contains a statement concerning the impact on program operating costs expected from the implementation of the capital project. With certain exceptions, the statement indicates little or no effect on operating costs. This is due to the fact that most capital projects involve the renovation or replacement of existing facilities. Consequently, any operating cost impact is derived from such items as efficiencies in energy consumption and avoided maintenance. These items, when viewed in terms of the total agency or program budget, generally tend to be negligible. An exception is when a very large scale project is implemented which will dramatically change these and other elements of an operating budget. In these cases, the expected change in operating expenses is quantified. An additional case in which the net change in operating cost will be quantified is where new construction will result in a significant increase in the capital asset base. In this case, the estimated effect on operating costs will be shown with the capital project when recommended for authorization.

A more precise figure will be recommended in the agency's operating budget when the project has been completed which is usually several years after a capital project is authorized.

There are several categories of capital authorizations for which no estimate of operating cost impact are provided. Among these are the categories of Redevelopment Assistance, Flood Control, Transportation Assistance and flood protection projects undertaken as part of the Public Improvement category. These projects constitute improvements to the property of other entities primarily local jurisdictions such as cities, boroughs townships etc. Any change in operating costs will, therefore, be borne by an entity other than the Commonwealth. One other category of capital authorizations which will not provide a statement of operating cost impact is Highway and Bridge projects. This is because the bulk of capital spending in this category is for the rehabilitation of the existing highway network rather than the addition of new mileage. As rehabilitation takes place, previously high maintenance costs are avoided. These avoided maintenance costs are then shifted to other

segments of roadway where repair needs are relatively great. As a result, the total highway operating budget experiences very little net change.

Forecast of Future Projects — This section contains a dollar forecast of new capital projects to be requested during each of the fiscal years 2000-01 through 2003-04. The projections are grouped by department and capital project category.

Estimate of Capital Expenditures — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project are not generally completed during the fiscal year in which the project is initiated, actual expenditures usually occur over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued, or current revenue appropriations required, 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 1999-00 and projects which will be authorized in the future (2000-04).

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)

	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
GENERAL OBLIGATION BOND FUNDING					
Revenues					
Capital Facilities Bonds:					
Public Improvement Projects - Buildings and Structures.....	\$ 410,000	\$ 360,000	\$ 280,000	\$ 210,000	\$ 200,000
Public Improvement Projects - Furniture and Equipment.....	70,000	100,000	28,000	12,000	23,000
Redevelopment Assistance.....	280,000	330,000	185,000	60,000	0
Flood Control.....	12,000	7,000	10,000	4,000	5,000
Transportation Assistance.....	150,000	140,000	145,000	140,000	145,000
Keystone Recreation, Park and Conservation Bonds.....	0	0	0	0	0
Less: Costs of Issue.....	-13,830	-14,055	-9,720	-6,390	-3,730
Miscellaneous Revenue.....	26,433	7,210	6,958	5,880	6,276
Change in Available Cash.....	-19,447	3,665	5,313	22,603	-8,308
Total.....	\$ 915,156	\$ 933,820	\$ 650,551	\$ 448,093	\$ 367,238
Expenditures					
Capital Facilities Fund:					
Public Improvement Projects - Buildings and Structures.....	\$ 441,835	\$ 358,283	\$ 284,754	\$ 215,869	\$ 202,423
Public Improvement Projects - Furniture and Equipment.....	60,692	101,113	28,679	12,738	22,957
Redevelopment Assistance.....	261,865	328,617	185,000	75,000	0
Flood Control Projects.....	9,019	6,525	11,436	3,574	816
Transportation Assistance Projects.....	141,745	139,282	140,682	140,912	141,042
Total - General Obligation Bonds.....	\$ 915,156	\$ 933,820	\$ 650,551	\$ 448,093	\$ 367,238
FROM CURRENT REVENUES					
Public Improvement Projects - Fish and Boat Fund.....	\$ 2,103	\$ 3,769	\$ 5,438	\$ 5,750	\$ 5,750
Public Improvement Projects - Game Fund.....	1,927	2,000	1,000	1,000	1,000
Acquisition, Improvement and Restoration Projects - Keystone Recreation, Park and Conservation Fund.....	11,250	11,249	11,250	11,250	11,250
Highway Projects - Motor License Fund.....	393,145	432,832	442,009	438,123	437,169
Total Current Revenues.....	\$ 408,425	\$ 449,850	\$ 459,697	\$ 456,123	\$ 455,169
TOTAL - ALL FUNDS	\$ 1,323,581	\$ 1,383,670	\$ 1,110,248	\$ 904,216	\$ 822,407

**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)

	1999-00	2000-01	2001-02	2002-03	2003-04	Total
Agriculture.....	\$ 16,676	\$ 1,175	\$ 1,244	\$ 1,313	\$ 1,382	\$ 21,790
Conservation and Natural Resources.....	33,802	19,903	24,956	26,009	29,062	133,732
Corrections.....	31,167	23,365	24,741	26,114	27,489	132,876
Education.....	29,044	42,922	45,446	47,971	50,496	215,879
Emergency Management Agency.....	1,500	0	0	0	0	1,500
Environmental Protection.....	12,835	8,594	9,011	8,729	9,146	48,315
Fish and Boat Commission.....	4,060	5,000	5,000	5,000	5,000	24,060
Game Commission.....	1,927	2,000	1,000	1,000	1,000	6,927
General Services.....	12,463	22,044	23,341	24,638	25,935	108,421
Historical and Museum Commission.....	2,760	18,727	19,828	20,930	22,031	84,276
Military and Veterans Affairs.....	4,845	9,557	10,120	10,682	11,244	46,448
Public Welfare.....	19,663	14,849	15,722	16,596	17,469	84,299
State Police.....	12,900	5,145	5,447	5,750	6,053	35,295
Transportation.....	344,966	147,219	212,644	238,068	258,493	1,201,390
TOTAL.....	\$ 528,608	\$ 320,500	\$ 398,500	\$ 432,800	\$ 464,800	\$ 2,145,208



RECOMMENDED 1999-00 NEW PROJECT AUTHORIZATIONS STATE FUNDS

This table provides a summary of new project authorizations by department and capital program category within bond and current revenue sources.

(Dollar Amounts in Thousands)

Capital Facilities Bond Funds

	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Flood Control Projects
Agriculture.....	\$ 16,676	\$ 0	\$ 0	\$ 0
Conservation and Natural Resources.....	3,680	250	0	0
Corrections.....	31,167	0	0	0
Education.....	27,950	1,094	0	0
Emergency Management Agency.....	1,500	0	0	0
Environmental Protection.....	9,720	2,665	0	450
Fish and Boat Commission.....	0	0	0	0
Game Commission.....	0	0	0	0
General Services.....	12,463	0	0	0
Historical and Museum Commission.....	2,760	0	0	0
Military and Veterans Affairs.....	4,845	0	0	0
Public Welfare.....	19,663	0	0	0
State Police.....	12,900	0	0	0
Transportation.....	6,810	1,950	165,002	0
TOTAL.....	\$ 150,134	\$ 5,959	\$ 165,002	\$ 450

Current Revenues

	Highway Projects	Keystone Recreation, Park and Conservation Projects	Fish And Boat Funds	Game Fund	All Funds
Agriculture.....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,676
Conservation and Natural Resources.....	0	29,872	0	0	33,802
Corrections.....	0	0	0	0	31,167
Education.....	0	0	0	0	29,044
Emergency Management Agency.....	0	0	0	0	1,500
Environmental Protection.....	0	0	0	0	12,835
Fish and Boat Commission.....	0	0	4,060	0	4,060
Game Commission.....	0	0	0	1,927	1,927
General Services.....	0	0	0	0	12,463
Historical and Museum Commission.....	0	0	0	0	2,760
Military and Veterans Affairs.....	0	0	0	0	4,845
Public Welfare.....	0	0	0	0	19,663
State Police.....	0	0	0	0	12,900
Transportation.....	171,204	0	0	0	344,966
TOTAL.....	\$ 171,204	\$ 29,872	\$ 4,060	\$ 1,927	\$ 528,608

DEPARTMENT OF AGRICULTURE

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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Protection and Development of Agricultural Industries.....	\$ 13,897	\$ 0	\$ 2,779	\$ 16,676
TOTAL PROJECTS.....	\$ 13,897	\$ 0	\$ 2,779	\$ 16,676

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 13,897	\$ 0	\$ 2,779	\$ 16,676
TOTAL.....	\$ 13,897	\$ 0	\$ 2,779	\$ 16,676

Department of Agriculture 1999-00 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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PUBLIC IMPROVEMENT PROJECTS

Program: Protection and Development of Agricultural Industries

Equine Exposition Center, Dauphin County

CONSTRUCTION OF AN EQUINE EXPOSITION CENTER: This project includes the construction of a main arena building, attached holding and warmup areas, barns, shower and storage facilities. The main event arena is expected to seat approximately 2,000 and contain an event floor of approximately 150 feet by 300 feet. Also, the main event building will accommodate offices, concessions and other event facilities. A staging and holding area will be attached to the main arena. A warm-up area which will include a multi-event ring will be attached to the holding area. When completed, this project will be self sustaining and, therefore, is not expected to have an impact on operating costs.

\$	9,632	\$	0	\$	1,926	\$	11,558
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Veterinary Diagnostic Laboratory, Dauphin County

CONSTRUCTION OF A SAMPLE RECEIVING ROOM: This project provides for the construction of a 20 feet by 40 feet receiving room as an addition to dock #2. The receiving room will provide space dedicated to the identification, cataloging and initial sorting of samples which are to undergo analysis at the laboratory. When completed, this project is expected to have minimal impact on operating costs.

500	0	100	600
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Meat Animal Evaluation Center, Centre County

CONSTRUCTION OF A NEW MEAT ANIMAL EVALUATION FACILITY: The project provides for the replacement of the current facility with new construction which will provide an annual capacity of up to 1,000 animals. The larger facility will allow larger test populations and, thereby, increase the precision of test results. The new construction will also provide space for all common functions including washing and display areas, handling pens, offices and meeting rooms. When completed, this project is expected to have minimal impact on operating costs.

3,765	0	753	4,518
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PROGRAM TOTAL.....

\$	13,897	\$	0	\$	2,779	\$	16,676
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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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Management of Recreational Areas and Facilities.....	\$ 31,152	\$ 2,500	\$ 150	\$ 33,802
TOTAL PROJECTS.....	\$ 31,152	\$ 2,500	\$ 150	\$ 33,802
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 1,030	\$ 2,500	\$ 150	\$ 3,680
Capital Facilities Fund - Furniture and Equipment.....	250	0	0	250
Subtotal General Obligation Bond Issues.....	\$ 1,280	\$ 2,500	\$ 150	\$ 3,930
Current Revenues				
Keystone Recreation, Park and Conservation Fund - Improvements and Restoration.....	\$ 29,872	\$ 0	\$ 0	\$ 29,872
Subtotal Current Revenues.....	\$ 29,872	\$ 0	\$ 0	\$ 29,872
TOTAL.....	\$ 31,152	\$ 2,500	\$ 150	\$ 33,802

Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Management of Recreational Areas and Facilities

Delaware Canal State Park, Bucks County

FURNITURE AND EQUIPMENT FOR DGS PROJECT 141-7, IMPROVEMENT OF RECREATIONAL FACILITIES: This project provides the necessary furniture and equipment to allow the park improvements to become operational. When completed, this project is not expected to change operating costs.

\$ 250	\$ 0	\$ 0	\$ 250
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Forest District 18, Dauphin County

REHABILITATION OF WHITE OAK ROAD: This project will provide new culverts and a complete resurfacing of White Oak Road in preparation for divestiture to Jackson Township. When completed, this project is not expected to change operating costs but will allow reallocation of maintenance resources to other areas.

200	0	0	200
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Lehigh Gorge State Park, Carbon and Luzerne Counties

ADDITIONAL FUNDS FOR DGS PROJECT 194-46, LAND ACQUISITION FOR LEHIGH GORGE STATE PARK: This project provides additional funding to acquire parcels of land along a 30 mile portion of the Lehigh River which will unite several other parcels currently held by the Commonwealth. This will afford park management operational control over a portion of the river used heavily for white water boating. This additional funding will increase the total commitment to this project to \$6.6 million. When completed, this project is not expected to change operating costs.

0	2,500	0	2,500
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Ricketts Glen State Park, Luzerne County

ADDITIONAL FUNDS FOR PARK IMPROVEMENTS RECOMMENDED IN THE 1998-99 BUDGET: Additional funds for the project to provide a number of park improvements including a visitor center, parking area expansion, rehabilitation of the Glen Trail system, new public boat launching facility, new public bicycle and pedestrian trails and related site work. This additional funding will increase the total commitment to this project to \$3.5 million. When completed, this project is expected to increase operating costs by \$100,000 per year.

750	0	150	900
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Sinnemahoning State Park, Cameron County

ADDITIONAL FUNDS FOR FURNITURE AND EQUIPMENT FOR DGS PROJECT 104-4, IMPROVEMENTS TO DAM: Additional funding for furniture and equipment to allow the dam reconstruction project to become operational. This additional funding will increase the total commitment to this project to \$100,000. When completed, this project is not expected to change operating costs.

80	0	0	80
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PROGRAM TOTAL.....

\$ 1,280	\$ 2,500	\$ 150	\$ 3,930
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Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: Management of Recreational Areas and Facilities				
Bald Eagle State Park, Centre County				
REPLACE PARK OFFICE AND VISITOR CENTER: This project will construct a new building to serve as both park office and a visitor center. When completed, this project is not expected to change operating costs.	\$ 490	\$ 0	\$ 0	\$ 490
Benidego State Park, Elk County				
REHABILITATE BATHHOUSE: This project will provide for the reconstruction of the existing bathhouse and restroom building. When completed, this project is not expected to change operating costs.	300	0	0	300
Black Moshannon State Park, Centre County				
RENOVATE WATER AND SEWER SYSTEM: This project will renovate the existing water and sewer system and construct a new sewage collector system. When completed, this project is not expected to change operating costs.	200	0	0	200
Caledonia State Park, Franklin County				
REPLACE TWO RESTROOMS: This project provides for the reconstruction of two restroom facilities. When completed, this project is not expected to change operating costs.	120	0	0	120
Chapman State Park, Warren County				
RENOVATE BATHHOUSE BUILDING: This project provides for the renovation of the bathhouse and concession building. When completed, this project is not expected to change operating costs.	300	0	0	300
Cook Forest State Park, Clarion County				
REHABILITATE POOL DECK AND FENCING: This project provides for the rehabilitation of the decking adjacent to the swimming pool and the security fencing surrounding the area. When completed, this project is not expected to change operating costs.	234	0	0	234
Cook Forest State Park, Clarion County				
REPLACE TWO RESTROOMS: This project provides for the replacement of two comfort stations and washhouses. When completed, this project is not expected to change operating costs.	495	0	0	495

Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Cook Forest State Park, Clarion County				
REHABILITATE PARK OFFICE: This project provides for a major renovation of the park office. When completed, this project is not expected to change operating costs.	\$ 225	\$ 0	\$ 0	\$ 225
Cowans Gap State Park, Fulton County				
REHABILITATE SEWAGE TREATMENT PLANT: This project will upgrade piping, pumps and other treatment systems where necessary. When completed, this project is not expected to change operating costs.	125	0	0	125
Evansburg State Park, Montgomery County				
REPAIRS TO DAM: This project will provide for several types of repairs to the dam structure and control mechanisms. When completed, this project is not expected to change operating costs.	122	0	0	122
Forest District #1, Franklin County				
CONSTRUCT EQUIPMENT STORAGE BUILDING: This project provides for the replacement of a storage building used for the storage of maintenance equipment. When completed, this project is not expected to change operating costs.	150	0	0	150
Forest District #3, Perry County				
CONSTRUCT AN ADDITION TO OFFICE: This project will provide for the construction of an addition onto the existing Forest District Office building. When completed, this project may increase operating costs by increasing maintenance requirements.	600	0	0	600
Forest District #4, Westmoreland County				
CONSTRUCT EQUIPMENT STORAGE BUILDING: This project provides for the replacement of a storage building used for the storage of maintenance equipment. When completed, this project is not expected to change operating costs.	150	0	0	150
Forest District #5, Huntingdon County				
RESURFACE LAUREL RUN ROAD: This project will provide for repaving Laurel Run road together with shoulder grading and painting as necessary. When completed, this project is not expected to change operating costs.	750	0	0	750



Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Forest District #5, Huntingdon County				
RECONSTRUCT/REPLACE FOOT BRIDGE: This project will provide for the reconstruction or replacement of the foot bridge on the Mid-State Trail over Little Juniata Creek. When completed, this project is not expected to change operating costs.	\$ 250	\$ 0	\$ 0	\$ 250
Forest Districts #12 & #16, Tioga and Lycoming Counties				
DEVELOPMENT OF PINE CREEK TRAIL: This project will extend development of Pine Creek Trail by converting additional railbed to a surface suitable for hiking. When completed, this project may increase operating costs by increasing maintenance requirements.	2,500	0	0	2,500
Forest District #13, Cameron County				
RECONSTRUCT/REPLACE MAINTENANCE BUILDING: This project provides for the reconstruction or replacement as necessary of a district maintenance equipment storage and office building. When completed, this project is not expected to change operating costs.	250	0	0	250
Forest District #15, Potter County				
CONSTRUCTION OF NEW OFFICE BUILDING: This project will provide for the construction of a new resource management office building to replace the existing structure. When completed, this project is not expected to change operating costs.	500	0	0	500
Forest District #20, Sullivan County				
IMPROVEMENTS TO MILL CREEK ROAD AND CHANNEL: This project provides for improvements to Mill Creek road and channel improvements to the west branch of Mill Creek. When completed, this project is not expected to change operating costs.	654	0	0	654
Fort Washington State Park, Montgomery County				
REPLACEMENT OF PIT LATRINES: This project provides for the replacement of pit latrines with modernized restroom and bathhouse facilities. When completed this project may increase operating costs by increasing maintenance requirements.	500	0	0	500

Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Frances Slocum State Park, Luzerne County				
SEWAGE TREATMENT PLANT REHABILITATION: This project will provide for the rehabilitation of the sewage treatment plant and associated piping. When completed, this project is not expected to change operating costs.	\$ 300	\$ 0	\$ 0	\$ 300
French Creek State Park, Berks County				
REHABILITATION OF CAMP #2, PHASE II: This project provides for the continuation of rehabilitation work to campground #2 including clean-up of camping areas, parking and camping equipment. When completed, this project is not expected to change operating costs.	150	0	0	150
French Creek State Park, Berks County				
REHABILITATION OF GROUP CAMP #1, PHASE II: This project provides for the continuation of rehabilitation work to group camp area #1 including clean-up of camping areas, parking and camping equipment. When completed, this project is not expected to change operating costs.	100	0	0	100
French Creek State Park, Berks County				
MAJOR MAINTENANCE TO MAIN PARK ACCESS ROAD: This project will provide major maintenance to the main access road including resurfacing and shoulder rehabilitation. When completed, this project is not expected to change operating costs.	100	0	0	100
French Creek State Park, Berks County				
REHABILITATION OF WASTE WATER LIFT STATION: This project will provide for the rehabilitation of the waste water pumping station and associated piping. When completed, this project is not expected to change operating costs.	200	0	0	200
Gifford Pinchot State Park, York County				
REHABILITATE QUAKER RACE DAY USE AREA, PHASES I AND II: This project provides for general rehabilitation of comfort stations, children's play areas, parking and access. This project will be implemented in two phases. When completed, this project is not expected to change operating costs.	925	0	0	925



Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Gifford Pinchot State Park, York County				
RESTROOM RENOVATIONS: This project provides for the modification of restroom facilities to improve access. When completed, this project is not expected to change operating costs.	\$ 180	\$ 0	\$ 0	\$ 180
Greenwood Furnace State Park, Huntingdon County				
RENOVATION OF SEWAGE TREATMENT PLANT: This project provides for the renovation of the sewage treatment facility including piping and pumping equipment. When completed, this project is not expected to change operating costs.	160	0	0	160
Hickory Run State Park, Carbon County				
REHABILITATE LATRINES: This project provides for the rehabilitation of latrine facilities including improved access. When completed, this project is not expected to change operating costs.	100	0	0	100
Hickory Run State Park, Carbon County				
ROAD RESURFACING: This project provides for the repair and resurfacing of the main road leading to the boulder field. When completed, this project is not expected to change operating costs.	117	0	0	117
Hills Creek State Park, Tioga County				
WASHHOUSE REPLACEMENT: This project provides for the complete replacement of the washhouse building. The new structure will upgrade all utilities and services. When completed, this project is not expected to change operating costs.	200	0	0	200
Hyner Run State Park, Clinton County				
ROAD RESURFACING: This project provides for the repair and resurfacing of the main access road. When completed, this project is not expected to change operating costs.	200	0	0	200
Kettle Creek State Park, Clinton County				
BATHHOUSE RENOVATIONS: This project provides for the renovation and upgrade of the bathhouse. When completed, this project is not expected to change operating costs.	150	0	0	150

Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Kettle Creek State Park, Clinton County				
REHABILITATION OF CAMPGROUND: This project provides for the general rehabilitation of campgrounds including clean-up of camping areas, parking and camping equipment. When completed, this project is not expected to change operating costs.	\$ 250	\$ 0	\$ 0	\$ 250
Kings Gap Environmental and Education Center, Cumberland County				
MANSION RENOVATIONS, PHASES I AND II: This project provides for the renovation of the mansion building which will include plumbing, heating and electrical systems as well as exterior masonry repairs and interior finishes. This project will be implemented in two phases. When completed, this project is not expected to change operating costs.	850	0	0	850
Laurel Hill State Park, Somerset County				
SEWAGE TREATMENT PLANT REHABILITATION: This project provides for the rehabilitation of air injection systems and desilting lagoons. When completed, this project is not expected to change operating costs.	300	0	0	300
Laurel Hill State Park, Somerset County				
RESURFACE MAIN ROADWAY: This project provides for the installation of an overlay surface on the main park road. When completed, this project is not expected to change operating costs.	260	0	0	260
Laurel Hill State Park, Somerset County				
REHABILITATE BATHHOUSE AND TENT AND TRAILER AREA: This project provides for the upgrade of all utilities, interior finishes where necessary and access for a bathhouse. Also, the tent and trailer camping area will be upgraded to include utility services. When completed, this project is not expected to increase operating costs.	245	0	0	245
Leonard Harrison State Park, Tioga County				
REPLACEMENT OF PIT LATRINES: This project provides for the replacement of pit latrines with modernized restroom and bathhouse facilities. This project will be implemented in several phases. When completed this project may increase operating costs by increasing maintenance requirements.	600	0	0	600



Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Little Buffalo State Park, Perry County				
RENOVATE SWIMMING POOL COMPLEX: This project will provide for a complete renovation of the swimming pool, all plumbing used for the pool and surrounding area. This project will be implemented in several phases. When completed, this project is not expected to change operating costs.	\$ 650	\$ 0	\$ 0	\$ 650
Little Pine State Park, Lycoming County				
REHABILITATE SEWAGE SYSTEM: This project will provide for the rehabilitation of the sewage collection and treatment systems. When completed, this project is not expected to change operating costs.	300	0	0	300
Lyman Run State Park, Potter County				
REPLACEMENT OF DAY USE RESTROOMS: This project will provide for the replacement of the day use restrooms with upgraded and sanitary facilities. When completed, this project is not expected to change operating costs.	250	0	0	250
Lyman Run State Park, Potter County				
REPLACEMENT OF CAMPGROUND WASHHOUSES: This project provides for the replacement of washhouses with upgraded facilities at the Low Campground and Daggot areas. When completed, this project is not expected to change operating costs.	375	0	0	375
Maurice K. Goddard State Park, Mercer County				
REHABILITATE MARINA FACILITY: This project provides for the rehabilitation of decking, utilities, pilings and mooring areas where necessary. When completed, this project is not expected to change operating costs.	400	0	0	400
Maurice K. Goddard State Park, Mercer County				
REHABILITATE SEWAGE PUMPING STATIONS: This project provides for the rehabilitation of all pumps and piping associated with lift stations. When completed, this project is not expected to change operating costs.	250	0	0	250
Marsh Creek State Park, Chester County				
REHABILITATE SWIMMING POOL: This project provides for the rehabilitation of pumps, circulation and filtration devices and resurfacing where necessary. When completed, this project is not expected to change operating costs.	200	0	0	200

Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Memorial Lake State Park, Lebanon County				
RENOVATION OF DAM: This project provides for the repair and reconstruction of portions of the dam structure. When completed, this project is not expected to change operating costs.	\$ 325	\$ 0	\$ 0	\$ 325
Moraine State Park, Butler County				
REHABILITATE ROADS: This project provides for the rehabilitation of roads throughout the park and includes surface repairs, shoulder grading and resurfacing. When completed, this project is not expected to change operating costs.	2,058	0	0	2,058
Moraine State Park, Butler County				
REHABILITATE WALKING TRAILS: This projects provides for the rehabilitation of walking trails Nos. 1, 2 and 10 and will include surfaces, obstructions and accessibility. When completed, this project is not expected to change operating costs.	280	0	0	280
Moraine State Park, Butler County				
REHABILITATE MARINA PILINGS: This project provides for replacement, reconstruction or repairs to marina sheetpiling. When completed, this project is not expected to change operating costs.	400	0	0	400
Nashaminy State Park, Bucks County				
DREDGE MARINA BASIN: This project provides for dredging of the marina basin. When completed, this project is not expected to change operating costs.	250	0	0	250
Nockamixon State Park, Bucks County				
REHABILITATE SWIMMING POOL: This project provides for the rehabilitation of pumps, circulation and filtration devices and resurfacing where necessary. When completed, this project is not expected to change operating costs.	500	0	0	500
Ohiopyle State Park, Fayette County				
RECONSTRUCT/REPLACE FERNCLIFF HIGH BRIDGE: This project provides for the reconstruction or replacement of the Ferncliff High Bridge. When completed, this project is not expected to change operating costs.	224	0	0	224



Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Ole Bull State Park, Potter County				
REHABILITATION OF CAMPGROUND WASHHOUSE, SEWER LINE AND ACCESS ROAD: This project provides for the upgrade of washhouse utilities; replacement of sewer line; and, repair of the access road. When completed, this project is not expected to change operating costs.	\$ 475	\$ 0	\$ 0	\$ 475
Pine Grove Furnace State Park, Cumberland County				
RENOVATE BATHHOUSE, GUARD SHED AND PARKING: This project provides for the renovation of a bathhouse with full utilities, a guard shed and parking area. When completed, this project is not expected to change operating costs.	550	0	0	550
Presque Isle State Park, Erie County				
REHABILITATE PARK OFFICE, PHASE II: This project continues rehabilitation work on the interior and exterior of the park office. When completed, this project is not expected to change operating costs.	490	0	0	490
Prince Gallitzin State Park, Cambria County				
INSTALL NEW MOORAGE: This project provides for the installation of a pontoon mooring system at the marina. When completed, this project is not expected to change operating costs.	150	0	0	150
Prince Gallitzin State Park, Cambria County				
REHABILITATE SEWAGE COLLECTION SYSTEM: This project provides for the rehabilitation of the sewage collection system including piping and pumping stations. This project will be implemented in several phases at different times. When completed, this project is not expected to change operating costs.	500	0	0	500
Promised Land State Park, Pike County				
REHABILITATION OF CAMPGROUND AT PICKEREL POINT: This project provides for the rehabilitation of Pickerel Point campground and will include upgrades of all utilities available, parking access and associated equipment. When completed, this project is not expected to change operating costs.	350	0	0	350

Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Pymatuning State Park, Crawford County				
REHABILITATE LINESVILLE SPILLWAY: This project will upgrade the spillway to current standards. This project may be implemented in several phases. When completed, this project is not expected to change operating costs.	\$ 800	\$ 0	\$ 0	\$ 800
R. B. Winter State Park, Union County				
REHABILITATE DAY USE RESTROOMS AND CONCESSION BUILDING: This project provides for upgrades to all utilities and may include finishes to interior and exterior surfaces. When completed, this project is not expected to change operating costs.	300	0	0	300
Raccoon Creek State Park, Beaver County				
BRIDGE #1206 REPAIR/REPLACEMENT: This project provides for the rehabilitation of bridge #1206. When completed, this project is not expected to change operating costs.	180	0	0	180
Raccoon Creek State Park, Beaver County				
REPAIR/SEAL COAT ROADWAYS: This project provides for seal coating park roadways and to make repairs as necessary. When completed, this project is not expected to change operating costs.	150	0	0	150
Raccoon Creek State Park, Beaver County				
REHABILITATE SEWAGE TREATMENT AND WATER TREATMENT PLANTS: This project provides for the rehabilitation of the sewage treatment plant and water treatment plant including pumps, piping and structural repairs. When completed, this project is not expected to change operating costs.	490	0	0	490
Ricketts Glen State Park, Luzerne County				
REPLACEMENT OF OFFICE AND VISITOR CENTER: The project provides for the replacement of the existing park office building with a structure to function as both an office and visitor center. When completed, this project is not expected to change operating costs.	900	0	0	900
Ricketts Glen State Park, Luzerne County				
ROAD PAVING: This project provides for resurfacing of all park roadways where necessary. This project also includes resurfacing of access and boat launches. When completed, this project is not expected to change operating costs.	630	0	0	630

Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM KEYSTONE RECREATION, PARK AND CONSERVATION CURRENT REVENUES				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Ridley Creek State Park, Delaware County				
ROOF FOR OFFICE BUILDING: This project provides for the re-roofing of the park office building and any repairs necessary to the roof structure. When completed, this project is not expected to change operating costs.	\$ 250	\$ 0	\$ 0	\$ 250
Ryerson Station State Park, Greene County				
POOL REHABILITATION, PHASE II: This project provides for the continuation of the work to rehabilitate pumps, circulation and filtration devices and resurface where necessary. When completed, this project is not expected to change operating costs.	300	0	0	300
Shawnee State Park, Bedford County				
REHABILITATE SEWAGE SYSTEM: This project provides for the rehabilitation of the sewage treatment plant, collection system and lift stations Nos. 1,3 and 5. When complete, this project is not expected to change operating costs.	977	0	0	977
Shawnee State Park, Bedford County				
REHABILITATE WATER TREATMENT PLANT ROOF: This project provides re-roofing of the water plant building which may include any portion of the roof substructure and support beams. When completed, this project is not expected to change operating costs.	110	0	0	110
Sinnemahoning State Park, Cameron County				
REHABILITATE TRASH BOOM: This project provides for the complete rehabilitation of the trash boom. When completed, this project is not expected to change operating costs.	100	0	0	100
Sizerville State Park, Cameron and Potter Counties				
CONSTRUCTION OF NEW PARK OFFICE: This project provides for the construction of a replacement park office building. The new building will also include a visitor center. When completed, this project is not expected to change operating costs.	300	0	0	300
Tuscarora State Park, Schuylkill County				
REPLACEMENT OF BOAT LAUNCH AND COMFORT STATION: This project provides for the construction of replacement restroom building and boat launch area. When completed, this project is not expected to change operating costs.	100	0	0	100



Department of Conservation and Natural Resources 1999-00 Projects

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM KEYSTONE RECREATION, PARK AND CONSERVATION
CURRENT REVENUES

PUBLIC IMPROVEMENT PROJECTS (continued)

Worlds End State Park, Sullivan County

REPLACEMENT OF WATER AND SEWER SYSTEM: This project provides for the replacement of all portions of the water and sewer systems for the park. When completed, this project is not expected to change operating costs.

\$	406	\$	0	\$	0	\$	406
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Worlds End State Park, Sullivan County

REHABILITATION OF PARK OFFICE: This project provides for the rehabilitation of the park office building and concession area. This project will be implemented in several phases. When completed, this project is not expected to change operating costs.

600	0	0	600
<u>\$ 29,872</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,872</u>

PROGRAM TOTAL.....



DEPARTMENT OF CORRECTIONS

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Institutionalization of Offenders.....	\$ 25,972	\$ 0	\$ 5,195	\$ 31,167
TOTAL PROJECTS.....	\$ 25,972	\$ 0	\$ 5,195	\$ 31,167
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 25,972	\$ 0	\$ 5,195	\$ 31,167
TOTAL.....	\$ 25,972	\$ 0	\$ 5,195	\$ 31,167

Department of Corrections 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Institutionalization of Offenders

State Correctional Institution at Camp Hill

ADDITIONAL FUNDS FOR CONSTRUCTION OF NEW COAL HANDLING SYSTEM RECOMMENDED IN THE 1998-99 BUDGET: This project will provide for the construction of a new coal handling system consisting of an elevator, bunker hopper and associated mechanisms needed to move from outside storage to the three boilers used at the institution. Including this additional funding, the total commitment for this project will be \$1.26 million. When completed, this project is not expected to change operating costs.

\$ 477	\$ 0	\$ 95	\$ 572
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State Correctional Institution at Dallas

ELECTRICAL SYSTEM UPGRADES: This project provides for the recabling of the institution, replacing manual with automatic switchgear, replacing breaker switches, renovating all transformer vaults and replacing transformers as necessary. When completed, this project is not expected to change operating costs.

6,400	0	1,280	7,680
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State Correctional Institution at Dallas

ADDITIONAL FUNDS FOR BOILER PLANT RENOVATIONS APPROVED IN ACT 47 OF 1997: This project provides for the reconstruction of three boilers, replacement of controls, reconstruction of supporting structures and coal handling equipment. Including this additional funding, the total commitment for this project will be \$6.8 million. When completed, this project is expected to decrease operating costs by approximately \$50,000 per year.

950	0	190	1,140
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State Correctional Institution at Greensburg

ADDITIONAL FUNDS FOR ELECTRIC UTILITY SYSTEM UPGRADES APPROVED IN ACT 47 OF 1997: This project provides for an increase in electrical system capacity and redundant systems for emergencies. This additional funding will increase the total commitment to this project to \$3.1 million. When completed, this project is not expected to change operating costs.

600	0	120	720
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Department of Corrections 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
State Correctional Institution at Huntingdon				
ADDITIONAL FUNDS FOR SECURITY SYSTEMS UPGRADES RECOMMENDED IN THE 1998-99 BUDGET: This project will install approximately 800 new cell doors and locking systems; install security windows; install 14 foot high security fencing and intrusion detection for D and F yards; install fencing around Mason's Spring; intrusion detection and television monitoring along perimeter wall; and, renovate gate #2 at the vehicle sally port. This additional funding will increase the total commitment to this project to \$9.5 million. When completed, this project is not expected to change operating costs.				
	\$ 1,335	\$ 0	\$ 267	\$ 1,602
State Correctional Institution at Laurel Highlands				
ADDITIONAL FUNDS FOR DGS PROJECT 376-1, PHASE 2, CONVERSION OF SOMERSET STATE HOSPITAL TO A CORRECTIONAL INSTITUTION: This project provides for the construction of a restricted housing unit consisting of 96 cells. The structure will be approximately 35,000 square feet. This additional funding will increase the total commitment to this project to \$35.3 million. When completed, this project is expected to require 20 positions and increase operating costs by \$640,000 per year.				
	8,350	0	1,670	10,020
State Correctional Institution at Mercer				
ADDITIONAL FUNDS FOR THE CONSTRUCTION OF A LEVEL 2 HOUSING UNIT AND RENOVATION OF SUPPORT STRUCTURES APPROVED IN ACT 47 OF 1997: This project provides for the construction of a 39,000 square foot structure containing 128 cells, dayrooms, multipurpose space and offices. The new construction will replace an existing structure used for minimum security housing. The project also will renovate/expand storage, medical, visiting and administrative support facilities and upgrade perimeter security. This additional funding will increase the total commitment to this project to \$11 million. When completed, this project is expected to increase operating costs by \$40,000 per year.				
	4,708	0	942	5,650
Quehanna Motivational Boot Camp, Clearfield County				
ADDITIONAL FUNDS FOR CONSTRUCTION OF A NEW SEWAGE TREATMENT PLANT AND WATER SYSTEM IMPROVEMENTS RECOMMENDED IN THE 1998-99 BUDGET: This project will construct a new 150,000 gallon per day treatment plant and expand water treatment system. This project is made necessary by the authorized expansion in bed capacity. Including this additional funding, the total commitment for this project will be \$3 million. When completed, this project will increase staffing and operating costs by approximately \$50,000 annually.				
	614	0	123	737

Department of Corrections 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
State Correctional Institution at Waynesburg				
LIFE SAFETY CODE IMPROVEMENTS: This project provides for the installation of sprinklers, fire and smoke alarms and addition egress doorways. Also, the project will include upgrades to the existing ventilation and lighting systems. When completed, this project is not expected to change operating costs.				
	\$ 2,538	\$ 0	\$ 508	\$ 3,046
PROGRAM TOTAL.....	<u>\$ 25,972</u>	<u>\$ 0</u>	<u>\$ 5,195</u>	<u>\$ 31,167</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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Higher Education - State-Related Universities.....	\$ 12,533	\$ 0	\$ 2,367	\$ 14,900
Higher Education - State System of Higher Education.....	11,852	0	2,292	14,144
TOTAL PROJECTS.....	\$ 24,385	\$ 0	\$ 4,659	\$ 29,044
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 23,291	\$ 0	\$ 4,659	\$ 27,950
Capital Facilities Fund - Furniture and Equipment.....	1,094	0	0	1,094
TOTAL.....	\$ 24,385	\$ 0	\$ 4,659	\$ 29,044

Department of Education 1999-00 Projects

This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Higher Education - State Related Universities

Lincoln University

BOILER PLANT AND STEAM DISTRIBUTION SYSTEM: This project provides for the replacement of the current steam and condensate distribution system consisting of nearly 4,000 linear feet. If this authorization is to be considered for the implementation of a decentralized boiler system, a study of the feasibility of a full array of alternatives must be completed before implementation.

\$ 3,500	\$ 0	\$ 700	\$ 4,200
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The University of Pittsburgh

ORIGINAL FURNITURE AND EQUIPMENT FOR PROJECT DGS 1103-43, RENOVATION AND ADDITION TO ALUMNI HALL: This project provides for the purchase of necessary moveable furniture and equipment to allow the construction project to become operational.

700	0	0	700
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Temple University

HEALTH SCIENCES CENTER LIBRARY: This project provides for the construction of a new health sciences library and research facility. The structure will be approximately 10,000 square feet and will contain instructional space as well as research materials; both hard copy and access to national medical data bases. The facility will be shared by several health science disciplines including the Medical School, Dental School, College of Allied Health, School of Pharmacy and Temple University Hospital.

8,333	0	1,667	10,000
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PROGRAM TOTAL.....

\$ 12,533	\$ 0	\$ 2,367	\$ 14,900
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Department of Education 1999-00 Projects

This section provides a brief description of each recommended project, its location and cost components. Operating cost impacts are not provided for these projects since these costs are borne by the operating budget of each university.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Higher Education - State System of Higher Education				
Cheyney University				
ADDITIONAL FUNDS FOR DGS PROJECT 403-60 RENOVATIONS TO BURLEIGH HALL: This project will renovate the interior of Burleigh Hall to provide for a student services center including admissions, financial aid, student affairs, career placemnt, and registrar's office. Renovations will include all interior systems such as plumbing, electrical, HVAC, fire and safety systems and all interior surfaces. This project follows a previously implemented project to renovate the exterior of this building. This additional funding will increase the total investment in this project to \$3.1 million.	\$ 1,783	\$ 0	\$ 357	\$ 2,140
ADDITIONAL FUNDS FOR DGS PROJECT 403-68 RENOVATIONS TO THE EMLLEN COMPLEX: This project will renovation the interior of Emlen Hall to provide for a new center for the Honors Program and a Living and Learning Center. The renovations will also provide support space to accommodate study areas as well as residence quarters. The renovations will include all interior systems such as plumbing, electrical, fire and safety, HVAC system and all interior surfaces. This project follows a previously implemented project to renovate the exterior of this building. This additional funding will increase the total investment in this project to \$6.5 million.	4,127	0	826	4,953
RENOVATION OF HUMPHREYS HALL: This project provides for the renovation of Humphreys Hall which is to be converted for use as administrative offices and University records archives. Included are HVAC and fire and safety systems upgrades as well as a communication system which is voice and data capable.	3,167	0	633	3,800
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS PROJECT FOR INTERIOR RENOVATIONS TO BURLEIGH HALL: This project provides for the purchase of necessary moveable furniture and equipment to allow the construction project to become operational.	214	0	0	214
Edinboro University				
ADDITIONAL FUNDS FOR ORIGINAL FURNITURE AND EQUIPMENT FOR DGS PROJECT RENOVATION OF BUTTERFIELD HALL: This project provides for the purchase of necessary moveable furniture and equipment to allow the construction project to become operational. This additional funding will increase the total investment in this project to \$674,000.	180	0	0	180
Kutztown University				
BOILER REPLACEMENT: This project provides for the replacement of the existing coal fired boiler system with four new oil/gas fueled systems. The project includes all associated equipment and electrical work.	2,381	0	476	2,857
PROGRAM TOTAL	\$ 11,852	\$ 0	\$ 2,292	\$ 14,144



EMERGENCY MANAGEMENT AGENCY

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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Fire Prevention and Safety.....	\$ 1,250	\$ 0	\$ 250	\$ 1,500
TOTAL PROJECTS.....	\$ 1,250	\$ 0	\$ 250	\$ 1,500
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 1,250	\$ 0	\$ 250	\$ 1,500
TOTAL.....	\$ 1,250	\$ 0	\$ 250	\$ 1,500

Emergency Management Agency 1999-00 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Fire Prevention and Safety

State Fire Academy

RECONSTRUCTION AND UPGRADE OF FIRE TRAINING FACILITIES:
 This project provides for the installation of improved heat resistant materials to selected interior areas of two burn buildings used to simulate structure fires. Also, the project will convert two flammable liquid fire simulators to propane or natural gas fuel. This portion of the project will allow conformance with current and projected environmental regulations. When completed, this project is expected to decrease operating costs by \$20,000 per year.

\$ 1,250	\$ 0	\$ 250	\$ 1,500
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PROGRAM TOTAL.....

<u>\$ 1,250</u>	<u>\$ 0</u>	<u>\$ 250</u>	<u>\$ 1,500</u>
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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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Environmental Protection and Management.....	\$ 10,765	\$ 0	\$ 1,620	\$ 12,385
FLOOD CONTROL PROJECTS				
Environmental Protection and Management.....	\$ 450	\$ 0	\$ 0	\$ 450
TOTAL PROJECTS.....	\$ 11,215	\$ 0	\$ 1,620	\$ 12,835
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 8,550	\$ 0	\$ 1,620	\$ 10,170
Capital Facilities Fund - Furniture and Equipment.....	2,665	0	0	2,665
TOTAL.....	\$ 11,215	\$ 0	\$ 1,620	\$ 12,835

Department of Environmental Protection 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Environmental Protection and Management

Coalport Borough, Clearfield County

ADDITIONAL FUNDS FOR DGS PROJECT 182-14, CONSTRUCTION OF LEVEES AND FLOODWALLS: This project provides for the construction of approximately 6,000 feet of earth levee and 1,000 feet of floodwall. The project will also provide channel improvement and excavated ponding areas. The major portion of construction will take place on the right bank of Clearfield Creek. Since the locality is responsible for maintaining this project, there will be no change in State operating costs.

\$ 1,800	\$ 0	\$ 360	\$ 2,160
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Curwensville Borough, Clearfield County

ADDITIONAL FUNDS FOR CONSTRUCTION OF LEVEE ALONG ANDERSON CREEK RECOMMENDED IN THE 1998-99 BUDGET: This project will construct compacted earth levees on the north and south sides of Anderson Creek. The levees will extend for 2,800 feet along the north bank and 1,100 feet along the south bank. These additional funds will increase the total investment for this project to \$2.2 million. Since the locality will be responsible for maintenance, there will be no change in State operating costs.

50	0	10	60
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Flat Rock Dam, Montgomery County

ADDITIONAL FUNDS FOR DGS PROJECT 179-1, CONSTRUCTION OF A FISH WAY: This project provides for the construction of a separate concrete channel at the dam site along with velocity control mechanisms and observation room. An additional part of this project is to construct a concrete barrier downstream of the dam for the purpose of directing fish to the passageway. These additional funds will increase the total commitment to this project to \$3.6 million. When completed, this project is not expected to change operating costs.

1,200	0	240	1,440
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City of Jeannette, Westmoreland County

ADDITIONAL FUNDS FOR DGS PROJECT 182-7, CONSTRUCTION OF A LEVEE AND CONCRETE FLOODWALL: This project provides for the construction of a levee along the north bank of Brush Creek, floodwall along certain portions and installation of concrete box culverts. These additional funds will update the project to current standards and increase the total commitment for this project to \$7 million. Since the locality will be responsible for maintenance, there will be no change in State operating costs.

2,100	0	420	2,520
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Department of Environmental Protection 1999-00 Projects

(Dollar Amounts in Thousands)

	Project Cost	Land Cost	Design & Contingencies	Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS (continued)				
Program: Environmental Protection and Management				
Morrisville Flood Protection Project, Bucks County				
REHABILITATION OF THE MORRISVILLE FLOOD PROTECTION PROJECT: This project provides repair/replacement of concrete curb wall, flapgates and riprap along the levee and restoration of the levee profile. Since the locality is responsible for maintenance of the project, there will be no change in State operating costs.	\$ 1,000	\$ 0	\$ 200	\$ 1,200
Warren Flood Protection Project, Warren County				
REHABILITATION OF THE WARREN BOROUGH FLOOD PROTECTION PROJECT: This project provides for repair/replacement of concrete floodwall where necessary, replacement of drainage piping where necessary and slope stabilization of the levee. Since the locality is responsible for maintenance of the project, there will be no change in State operating costs.	750	0	150	900
Windber Flood Protection Project, Somerset County				
REHABILITATION OF THE WINDBER BOROUGH FLOOD PROTECTION PROJECT: This project provides for repair/replacement of concrete floodwall where necessary, replacement of drainage piping where necessary and restoring the capacity of the debris basin. Since the locality is responsible for maintenance of the project, there will be no change in State operating costs.	1,200	0	240	1,440
Environmental Protection Laboratory				
ORIGINAL FURNITURE AND EQUIPMENT FOR THE ENVIRONMENTAL PROTECTION LABORATORY FACILITY: This project provides the moveable furniture and equipment necessary to allow the construction project to become operational. When completed, this project is not expected to change operating costs.	2,665	0	0	2,665
PROGRAM TOTAL	\$ 10,765	\$ 0	\$ 1,620	\$ 12,385

Department of Environmental Protection 1999-00 Projects

(Dollar Amounts in Thousands)

	Project Cost	Land Cost	Design & Contingencies	Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>FLOOD CONTROL PROJECTS</i>				
Program: Environmental Protection and Management				
Borough of Olyphant, Lackawanna County				
ADDITIONAL FUNDS FOR THE OLYPHANT FLOOD CONTROL PROJECT RECOMMENDED IN THE 1998-99 BUDGET: This project will provide additional funding for the State financial commitment. This increase is required as a result of revised cost estimates by the U.S. Corps of Engineers. The project consists of approximately 3,770 feet of earth levee and 1,410 feet of concrete floodwall. This additional funding increases the total State commitment to the project to \$3.1 million. Since the project will be maintained by the locality, there will be no change in State operating costs.				
	\$ 100	\$ 0	\$ 0	\$ 100
Point Merion Borough, Fayette County				
CONSTRUCTION OF STREAMBANK PROTECTION: This project provides for State financial participation in a U.S. Corps of Engineers project to protect the Borough's sewage treatment plant and other utilities from streambank erosion. The project is located along the Monongahela River at Water Street. Since the project will be maintained by the locality, there will be no change in State operating costs.				
	<u>350</u>	<u>0</u>	<u>0</u>	<u>350</u>
PROGRAM TOTAL.....	<u>\$ 450</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 450</u>



FISH AND BOAT COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Recreational Fishing and Boating.....	\$ 3,745	\$ 0	\$ 315	\$ 4,060
TOTAL PROJECTS.....	\$ 3,745	\$ 0	\$ 315	\$ 4,060
SOURCE OF FUNDS				
Current Revenues				
Fish and Boat Funds.....	\$ 2,178	\$ 0	\$ 150	\$ 2,328
Subtotal Current Revenues.....	\$ 2,178	\$ 0	\$ 150	\$ 2,328
Federal Funds.....	\$ 1,567	\$ 0	\$ 165	\$ 1,732
TOTAL.....	\$ 3,745	\$ 0	\$ 315	\$ 4,060

Fish and Boat Commission 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

FROM FISH AND BOAT FUND

PUBLIC IMPROVEMENT PROJECTS

Program: Recreational Fishing and Boating

Big Spring Fish Culture Station, Cumberland County

ELECTRICAL SYSTEM EXPANSION: This project provides expanded electrical service to allow the installation of additional mechanical aerators. The project will also upgrade existing clarifier system.

When completed, this project is not expected to change operating costs.

	Base Project Cost	Land Cost	Design & Contingencies	Project Cost
State	\$ 338	\$ 0	\$ 37	\$ 375
Federal	1,012	0	113	1,125

Corry Fish Culture Station, Erie County

CONSTRUCTION OF AN EFFLUENT RETENTION/TREATMENT SYSTEM: This project provides for the construction of a polishing pond so that water which has been chemically treated in response to diseased fish can be retained and treated. When completed, this project is not expected to change operating costs.

State	160	0	15	175
Federal	480	0	45	525

Cloe Lake, Jefferson County

RECONSTRUCTION OF DAM AND SPILLWAY: This project provides for the reconstruction of the existing dam and spillway to allow safe operation under maximum high water conditions. When completed, this project is not expected to change operating costs.

State	675	0	75	750
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North East Marina, Erie County

BREAKWALL RECONSTRUCTION: This project provides for the installation of armor stone at the existing harbor breakwall. When completed, this project is not expected to change operating costs.

State	800	0	0	800
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Oswego Fish Culture Station, Potter County

MODIFY CLARIFIER AND DREDGE POLISHING POND: This project will redesign and modify the clarifier system as well as removal of all waste materials from the polishing pond. When completed, this project is not expected to change operating costs.

State	25	0	3	28
Federal	75	0	7	82

Van Dyke Shad Station, Juniata County

CONSTRUCT OR ACQUIRE A SHAD PRODUCTION FACILITY: This project provides for the construction or acquisition of a facility capable of supporting the production of 20 million American Shad per year.

When completed, this project is not expected to change operating costs.

State	180	0	20	200
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Total State Funds.....	\$ 2,178	\$ 0	\$ 150	\$ 2,328
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Total Federal Funds.....	1,567	0	165	1,732
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PROGRAM TOTAL.....	\$ 3,745	\$ 0	\$ 315	\$ 4,060
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GAME COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Wildlife Management.....	\$ 0	\$ 1,927	\$ 0	\$ 1,927
TOTAL PROJECTS.....	<u>\$ 0</u>	<u>\$ 1,927</u>	<u>\$ 0</u>	<u>\$ 1,927</u>
SOURCE OF FUNDS				
Current Revenues				
Game Fund.....	\$ 0	\$ 1,927	\$ 0	\$ 1,927
TOTAL.....	<u>\$ 0</u>	<u>\$ 1,927</u>	<u>\$ 0</u>	<u>\$ 1,927</u>

Game Commission 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Project Cost
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FROM GAME FUND

PUBLIC IMPROVEMENT PROJECTS

Program: Wildlife Management

Land Acquisition, Blair and Cambria Counties

LAND ACQUISITION: This project provides for the acquisition of approximately 2,688 acres to be included as additional acreage within the management of the State game lands system. When completed, this project is expected to have minimal impact on operating costs.

\$ 0	\$ 731	\$ 0	\$ 731
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Land Acquisition, Huntingdon County

LAND ACQUISITION: This project provides for the acquisition of approximately 2,670 acres to be included as additional acreage within the management of the State game lands system. When completed, this project is expected to have minimal impact on operating costs.

0	1,076	0	1,076
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Land Acquisition, Sullivan County

LAND ACQUISITION: This project provides for the acquisition of approximately 2,600 acres to be included as additional acreage within the management of the State game lands system. When completed, this project is expected to have minimal impact on operating costs.

0	120	0	120
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PROGRAM TOTAL.....

\$ 0	\$ 1,927	\$ 0	\$ 1,927
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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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Facility, Property and Commodity Management.....	\$ 10,240	\$ 0	\$ 2,223	\$ 12,463
TOTAL PROJECTS.....	\$ 10,240	\$ 0	\$ 2,223	\$ 12,463
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 10,240	\$ 0	\$ 2,223	\$ 12,463
TOTAL.....	\$ 10,240	\$ 0	\$ 2,223	\$ 12,463

Capital Budget

Department of General Services 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: Facility, Property and Commodity Management

Capitol Area Buildings

FIRE SAFETY UPGRADES TO AGRICULTURE, FORSTER ST., STATE RECORDS CENTER AND PUBLICATIONS BUILDINGS: This project will provide sprinkler system upgrades to these buildings by adding sprinkler heads, water pressure gauges where necessary and adding appropriate types of valves and switches to the sprinkler systems. These upgrades are intended to achieve compliance with prevailing fire safety codes. When completed, this project is not expected to change operating costs.

\$ 104	\$ 0	\$ 21	\$ 125
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Capitol Complex

UPGRADE CHILLERS AT THE CENTRAL REFRIGERATION PLANT: This project will convert the three existing chillers for the use of R-13 refrigerant. At the same time all working parts of the chillers will be refurbished so that operating efficiency will compare to that of new chillers. When completed, the chillers will not only operate on environmentally safe refrigerant, but also reduce electric energy costs by an estimated \$234,000 annually.

2,000	0	500	2,500
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HEATING, VENTILATING AND AIR CONDITIONING SYSTEM UPGRADES FOR THE LABOR AND INDUSTRY BUILDING: This project will retrofit or replace if necessary the two existing chillers, cooling towers and controls. Included in the project is a complete cleaning and rebalancing of the air handling system. The project also includes reconstruction of the building loading dock. When completed, this project is expected to provide highly improved air quality with enhanced efficiency. This project is expected to reduce electrical energy costs by \$30,000 per year.

1,486	0	372	1,858
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UPGRADE RESTROOM FACILITIES AT THE FINANCE AND FORUM BUILDINGS: This project will provide a complete upgrade to all restroom facilities including accessibility, flooring and wall surfaces and replacement of all obsolete fixtures and plumbing. When completed, this project is not expected to change operating costs.

5,000	0	1,000	6,000
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RESTORATION OF BRONZE DOORS AND ENCLOSURES AT ALL CAPITOL COMPLEX LOCATIONS: This project will restore to original design all ornamental bronze doors and enclosures at all locations. When completed, this project is not expected to change operating costs.

1,650	0	330	1,980
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PROGRAM TOTAL.....

\$ 10,240	\$ 0	\$ 2,223	\$ 12,463
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HISTORICAL AND MUSEUM COMMISSION

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1999-00 PUBLIC IMPROVEMENT PROJECTS				
State Historic Preservation.....	\$ 2,300	\$ 0	\$ 460	\$ 2,760
TOTAL PROJECTS.....	<u>\$ 2,300</u>	<u>\$ 0</u>	<u>\$ 460</u>	<u>\$ 2,760</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 2,300	\$ 0	\$ 460	\$ 2,760
TOTAL.....	<u>\$ 2,300</u>	<u>\$ 0</u>	<u>\$ 460</u>	<u>\$ 2,760</u>



Historical and Museum Commission 1999-00 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: State Historic Preservation				
Erie Maritime Museum, Erie County				
FIRE SUPPRESSION SYSTEM: This project provides for the evaluation and installation of a fire suppression system at this facility. The evaluation will assess each of several alternatives including but not limited to: a wet fire suppression system; fire-fighting stations deployed at several locations throughout the facility; and the addition of alarms and on-site monitoring to the existing detection system. When completed, this project is not expected to change operating costs.	\$ 300	\$ 0	\$ 60	\$ 360
Fort Pitt Museum, Allegheny County				
CONSTRUCTION OF A GALLERY AND PERMANENT EXHIBITS: This project provides for the construction of a new gallery area and exhibits in the space which will be created by the construction of the second floor. When completed, this project is not expected to change operating costs.	2,000	0	400	2,400
PROGRAM TOTAL	\$ 2,300	\$ 0	\$ 460	\$ 2,760

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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
State Military Readiness.....	\$ 5,020	\$ 300	\$ 340	\$ 5,660
Veterans Homes and School.....	2,339	0	426	2,765
TOTAL PROJECTS.....	\$ 7,359	\$ 300	\$ 766	\$ 8,425
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 3,959	\$ 300	\$ 586	\$ 4,845
Subtotal General Obligation Bond Issues.....	\$ 3,959	\$ 300	\$ 586	\$ 4,845
Federal Funds.....	\$ 3,400	\$ 0	\$ 180	\$ 3,580
TOTAL.....	\$ 7,359	\$ 300	\$ 766	\$ 8,425



Capital Budget

Department of Military and Veterans Affairs 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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FROM CAPITAL FACILITIES BOND FUNDS

PUBLIC IMPROVEMENT PROJECTS

Program: State Military Readiness

Armory at Connellsville, Fayette County

CONSTRUCTION OF NEW ARMORY AND LAND ACQUISITION: This project will be constructed at or near Connellsville and will replace the existing facility. The new structure will be approximately 23,000 square feet, constructed of block and brick and contain a drill hall, kitchen and dining area, logistics space and complete locker room facilities.

When completed, this project is not expected to change operating costs.

State	\$ 1,200	\$ 300	\$ 120	\$ 1,620
Fed.	3,400	0	180	3,580

Fort Indiantown Gap, Dauphin/Lebanon Counties

INSTALLATION OF NATURAL GAS FEEDER LINES AND CONVERSION OF FURNACE BURNERS: This project will install piping on the Fort Indiantown Gap premises and convert furnaces in the State buildings.

When completed, this project is expected to reduce current fuel costs by approximately 25 percent.

State	420	0	40	460
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Total State Funds.....	\$ 1,620	\$ 300	\$ 160	\$ 2,080
Total Federal Funds.....	3,400	0	180	3,580

PROGRAM TOTAL.....	\$ 5,020	\$ 300	\$ 340	\$ 5,660
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Program: Veterans Homes and School

Hollidaysburg Veterans Center, Blair County

RECONSTRUCT/REPLACE ROOF ON EISENHOWER HALL: This project will reconstruct or replace as necessary the roof system on Eisenhower Hall. The project will also install upgraded thermal efficient insulation.

When completed, this project may reduce operating costs by reducing heating requirements.

\$ 372	\$ 0	\$ 38	\$ 410
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Pennsylvania Solders and Sailors Home, Erie County

RESTORATION OF EXTERIOR MASONRY OF MAIN BUILDING: This project will restore/reconstruct all exterior masonry of the main building which houses personal care residents, main kitchen and dining room, chapel and administrative offices. When completed, this project is not expected to change operating costs.

917	0	183	1,100
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Department of Military and Veterans Affairs 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS (continued)</i>				
Southeastern Veterans Center, Chester County				
INSTALL AUTOMATIC DOOR LOCKING SYSTEM: This project will install automatic door locks in the long-term care areas in Coates Hall. When completed, this project is not expected to change operating costs.	\$ 120	\$ 0	\$ 15	\$ 135
Scotland School for Veterans Children				
MODERNIZATION OF BOILER PLANT: This project will modernize and automate the existing boiler plant. The project includes replacement of the current boiler and-controls, pumps and valves necessary to control steam delivery and condensate return systems. When completed, this project may reduce operating costs through overall system efficiency gains.	930	0	190	1,120
PROGRAM TOTAL.....	\$ 2,339	\$ 0	\$ 426	\$ 2,765



DEPARTMENT OF PUBLIC WELFARE

Summary of Recommended Authorization Amounts by Program and Source of Funds

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Mental Health.....	\$ 10,198	\$ 0	\$ 2,040	\$ 12,238
Mental Retardation.....	1,000	0	200	1,200
Human Services.....	5,187	0	1,038	6,225
TOTAL PROJECTS.....	\$ 16,385	\$ 0	\$ 3,278	\$ 19,663

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund - Buildings and Structures.....	\$ 16,385	\$ 0	\$ 3,278	\$ 19,663
TOTAL.....	\$ 16,385	\$ 0	\$ 3,278	\$ 19,663

Department of Public Welfare 1999-00 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS				
Program: Mental Health				
Ebensburg State Hospital, Cambria County				
RENOVATE/REPLACE HEATING SYSTEM IN BUILDINGS #1 THROUGH #7: This project will renovate/replace when necessary the heating distribution systems in these buildings. When completed, this project is not expected to change operating costs.	\$ 4,200	\$ 0	\$ 840	\$ 5,040
Harrisburg State Hospital, Dauphin County				
ADDITIONAL FUNDS TO RENOVATE BUILDING #17 RECOMMENDED IN THE 1998-99 BUDGET: This project will renovate the heating and air conditioning systems along with eight baths and shower rooms. This additional funding will increase the total commitment to this project to \$4.3 million. When completed, this project is not expected to change operating costs.	600	0	120	720
IMPROVEMENTS TO ELECTRICAL DISTRIBUTION SYSTEM IN BUILDINGS #11, 15, 32, AND 53: This project will increase the capacity of the electrical distribution system for these buildings. When completed, this project is expected to reduce operating costs by \$75,000 annually.	750	0	150	900
Mayview State Hospital, Allegheny County				
LIFE SAFETY CODE UPGRADES: This project provides for the construction of privacy partitions within the living quarters areas comprising ten wards for all patient buildings. When completed, this project is not expected to change operating costs.	1,500	0	300	1,800
Norristown State Hospital, Montgomery County				
REPLACE ELECTRIC CABLES: This project provides for the replacement of high voltage underground cables bringing service to the entire institution. When completed, this project is expected to reduce operating costs by \$50,000 annually.	1,000	0	200	1,200
LIFE SAFETY CODE UPGRADES: This project provides for the construction of privacy partitions within the living quarters areas for patient buildings 1, 9, 10 and 12. When completed, this project is not expected to change operating costs.	1,548	0	310	1,858
Wernersville State Hospital, Berks County				
NEW GAS OR OIL FIRED BOILER INSTALLATION: This project provides for the installation of low capacity boilers for use during low demand periods. Existing coal fired boilers are too large to turn down without creating unacceptable levels of smoke and soot. When completed, this project is expected to reduce operating costs by \$8,000 annually.	600	0	120	720
PROGRAM TOTAL	\$ 10,198	\$ 0	\$ 2,040	\$ 12,238



Capital Budget

Department of Public Welfare 1999-00 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
PUBLIC IMPROVEMENT PROJECTS (continued)				
Program: Mental Retardation				
Selinsgrove Center, Snyder County				
INSTALL PARTICULATE EMISSIONS COLLECTION SYSTEM: This project provides for a particulate collections system to comply with prevailing air quality stadards. The collection system will allow the use of bituminous coal. When completed, this project will reduce operating costs by approximately \$300,000 annually.	\$ 1,000	\$ 0	\$ 200	\$ 1,200
PROGRAM TOTAL.....	<u>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ 200</u>	<u>\$ 1,200</u>
Program: Human Services				
Youth Development Center at Bensalem, Bucks County				
LIFE SAFETY CODE UPGRADES: This project provides for the installation of various fire safety upgrades in buildings 4, 5, 6, 7 and 8. This project includes the installation of higher rated fire/smoke doors, generators for emergency lighting and alarms, ventilation, extension of sprinkler systems, additional smoke detectors and integration of emergency lighting, alarms and signage. When completed, this project is not expected to change operating costs.	\$ 1,125	\$ 0	\$ 225	\$ 1,350
Youth Development Center at New Castle, Lawrence County				
LIFE SAFETY CODE UPGRADES: This project provides for the installation of various fire safety and security upgrades in dormitory buildings 5, 6, 7 and 8 and intensive treatment building 2. This project includes the installation of fire alarm panels, extension of the sprinkler system, emergency power for lighting and alarms, additional smoke detectors and electrically controlled door locking systems. When completed, this project is not expected to change operating costs.	962	0	193	1,155
Youth Forestry Camp #2, Carbon County				
CONSTRUCT NEW GYM/ACTIVITIES BUILDING: This project will construct a new multi-purpose building to serve as a gymnasium and activities facility. When completed, this project is expected to increase operating costs by \$10,000 annually.	\$ 3,100	\$ 0	\$ 620	\$ 3,720
PROGRAM TOTAL.....	<u>\$ 5,187</u>	<u>\$ 0</u>	<u>\$ 1,038</u>	<u>\$ 6,225</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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Public Protection and Law Enforcement.....	\$ 10,750	\$ 0	\$ 2,150	\$ 12,900
TOTAL PROJECTS.....	\$ 10,750	\$ 0	\$ 2,150	\$ 12,900
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 10,750	\$ 0	\$ 2,150	\$ 12,900
TOTAL.....	\$ 10,750	\$ 0	\$ 2,150	\$ 12,900



Capital Budget

State Police 1999-00 Projects

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM CAPITAL FACILITIES BOND FUNDS				
<i>PUBLIC IMPROVEMENT PROJECTS</i>				
Program: Public Protection and Law Enforcement				
Summerdale Laboratory Complex				
CONSTRUCTION OF A STATE POLICE CRIME LABORATORY: This project provides for the construction of replacement space for the Harrisburg Crime Laboratory at the Summerdale complex. The space will include technician work stations and testing equipment, administrative offices, evidence receiving and storage areas and supply storage as well as common facilities such as reference library, training areas and locker facilities. When completed, this project is expected to increase annual operating costs by approximately \$30,000.	\$ 10,750	\$ 0	\$ 2,150	\$ 12,900
PROGRAM TOTAL.....	<u>\$ 10,750</u>	<u>\$ 0</u>	<u>\$ 2,150</u>	<u>\$ 12,900</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
1999-00 PUBLIC IMPROVEMENT PROJECTS				
Highway Safety.....	\$ 2,966	\$ 250	\$ 594	\$ 3,810
State Highway and Bridge Maintenance.....	4,950	0	0	4,950
Subtotal.....	<u>\$ 7,916</u>	<u>\$ 250</u>	<u>\$ 594</u>	<u>\$ 8,760</u>
TRANSPORTATION ASSISTANCE PROJECTS				
Urban Mass Transportation.....	\$ 887,514	\$ 0	\$ 0	\$ 887,514
Subtotal.....	<u>\$ 887,514</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 887,514</u>
HIGHWAY PROJECTS				
State Highway and Bridge Construction/Reconstruction.....	\$ 547,926	\$ 40,096	\$ 38,566	\$ 626,588
TOTAL PROJECTS.....	<u><u>\$ 1,443,356</u></u>	<u><u>\$ 40,346</u></u>	<u><u>\$ 39,160</u></u>	<u><u>\$ 1,522,862</u></u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund - Buildings and Structures.....	\$ 5,966	\$ 250	\$ 594	\$ 6,810
Capital Facilities Fund - Furniture and Equipment.....	1,950	0	0	1,950
Capital Facilities Fund - Transportation Assistance.....	165,002	0	0	165,002
Subtotal General Obligation Bond Issues.....	<u>\$ 172,918</u>	<u>\$ 250</u>	<u>\$ 594</u>	<u>\$ 173,762</u>
Current Revenues				
Motor License Fund.....	\$ 143,195	\$ 12,816	\$ 15,193	\$ 171,204
Federal Funds.....	<u>\$ 1,099,182</u>	<u>\$ 27,270</u>	<u>\$ 23,333</u>	<u>\$ 1,149,785</u>
Local Funds.....	<u>\$ 28,061</u>	<u>\$ 10</u>	<u>\$ 40</u>	<u>\$ 28,111</u>
TOTAL.....	<u><u>\$ 1,443,356</u></u>	<u><u>\$ 40,346</u></u>	<u><u>\$ 39,160</u></u>	<u><u>\$ 1,522,862</u></u>

Department of Transportation 1999-00 Projects

(Dollar Amounts in Thousands)

This section provides a brief description of each recommended project, its location, cost components and expected impact on operating expenses.

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
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PUBLIC IMPROVEMENT PROJECTS

Program: Highway Safety

New Welcome Center, Tioga County

ADDITIONAL FUNDS FOR CONSTRUCTION OF NEW WELCOME CENTER: This project provides for the construction of a new welcome center on U.S. Route 15. These additional funds will increase the total commitment to this project to \$7.2 million. When completed, this project will require four additional positions and increase annual operating costs by approximately \$150,000.

\$ 2,966	\$ 250	\$ 594	\$ 3,810
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PROGRAM TOTAL.....

\$ 2,966	\$ 250	\$ 594	\$ 3,810
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Program: State Highway and Bridge Maintenance

Luzerne County Maintenance Facility

CONSTRUCT OR ACQUIRE A REPLACEMENT MAINTENANCE FACILITY: This project will replace the existing facility and will be constructed to support the weight of vehicles and equipment used for maintenance activities. When completed, this project is not expected to change operating costs.

\$ 3,000	\$ 0	\$ 0	\$ 3,000
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Materials Testing Laboratory, Summerdale Laboratory Complex

ACQUISITION OF MOVABLE FURNITURE AND EQUIPMENT: This project will acquire moveable furniture and equipment to allow the project for the construction of the materials testing laboratory to become operational. When completed, this project is not expected to change operating costs.

1,950	0	0	1,950
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PROGRAM TOTAL.....

\$ 4,950	\$ 0	\$ 0	\$ 4,950
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TRANSPORTATION ASSISTANCE PROJECTS

Program: Urban Mass Transportation

All of the following projects are grants to local transportation authorities. Consequently, no staffing or operating cost impacts are provided since these will be borne by local budgets.

Berks and Reading Transportation Authority

ACQUISITION OF 15 REPLACEMENT TRANSIT BUSES: This project will acquire 15 transit buses designed for accessibility and the use of alternative fuels.

State	\$ 833	\$ 0	\$ 0	\$ 833
Fed.	3,998	0	0	3,998
Local	167	0	0	167

Department of Transportation 1999-00 Projects

(Dollar Amounts in Thousands)

TRANSPORTATION ASSISTANCE PROJECTS (continued)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
	State	\$ 250	\$ 0	\$ 0	\$ 250
ACQUISITION OF 10 PARATRANSIT VEHICLES: This project	Fed.	1,200	0	0	1,200
will acquire 10 paratransit vehicles to be designed for full accessibility.	Local	50	0	0	50
Centre Area Transit Authority					
ACQUISITION OF BUS BIKE RACKS AND MAINTENANCE ITEMS:	State	30	0	0	30
This project will acquire and install bike racks at bus stops and	Fed.	144	0	0	144
purchase office, maintenance shop and capital maintenance items.	Local	6	0	0	6
PURCHASE SMALL TRANSIT BUSES AND RELATED EQUIPMENT:					
This project will purchase small transit buses, magnetic farebox card	State	183	0	0	183
readers and install intelligent transportation bus systems.	Fed.	878	0	0	878
	Local	37	0	0	37
County of Lackawanna Transportation System					
VEHICLE OVERHAUL AND RELATED ITEMS: This project will	State	31	0	0	31
provide for overhaul of revenue and non-revenue vehicles and the	Fed.	149	0	0	149
purchase of capital maintenance items.	Local	6	0	0	6
Harrisburg Redevelopment Authority					
RENOVATIONS TO THE HARRISBURG TRANSPORTATION CENTER:	State	416	0	0	416
This project will begin a series of improvements including heating,	Fed.	1,997	0	0	1,997
ventilating and air conditioning systems, train shed restoration, inter-	Local	83	0	0	83
city bus terminal canopy, busway viaduct and plaza/sidewalk area.					
Port Authority of Allegheny County					
1999-00 VEHICLE OVERHAUL: This project will assist the operator	State	5,000	0	0	5,000
to maintain scheduled overhaul of transit buses and light rail vehicles.					
1999-00 INFRASTRUCTURE SAFETY RENEWAL: This project will	State	13,700	0	0	13,700
include improvements to buildings, electrical systems, the electric					
shop, operations control center, bridges, track, stations and signals.	State	1,290	0	0	1,290
1999-00 FEDERAL FLEXIBLE HIGHWAY FUNDING: This project will	Fed.	6,192	0	0	6,192
provide for capital items associated with either rail or transit systems.	Local	258	0	0	258
	State	4,867	0	0	4,867
1999-00 SECTION 9 PROGRAM PROJECTS: This project will provide	Fed.	23,362	0	0	23,362
for capital items associated primarily with transit operations.	Local	973	0	0	973
	State	4,125	0	0	4,125
1999-00 FIXED GUIDEWAY PROGRAM PROJECTS: This project will	Fed.	19,800	0	0	19,800
provide for capital infrastructure, vehicles and other items associated	Local	825	0	0	825
with light rail operations.					

Department of Transportation 1999-00 Projects

(Dollar Amounts in Thousands)

TRANSPORTATION ASSISTANCE PROJECTS (continued)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
LIGHT RAIL RECONSTRUCTION PROGRAM: This project provides for stage II light rail transit reconstruction project. State matching funds will be used incrementally over several years.	State	\$ 35,000	\$ 0	\$ 0	\$ 35,000
	Fed.	168,000	0	0	168,000
	Local	7,000	0	0	7,000
NORTH SHORE CENTRAL BUSINESS DISTRICT TRANSPORTATION PROJECT: This project will provide North Shore Central Business District transportation improvements including an expansion of light rail or busway transportation corridors, Park-N-Ride garages, people movers or an intermodal facility to improve connections with downtown and the Northside. State matching funds will be used incrementally over several years.	State	39,583	0	0	39,583
	Fed.	189,998	0	0	189,998
	Local	7,917	0	0	7,917
TRANSIT BUS PROCUREMENT: This project will provide for the acquisition of approximately 150 bus vehicles to be used in transit operations. State matching funds will be used incrementally over several years.	State	6,250	0	0	6,250
	Fed.	30,000	0	0	30,000
	Local	1,250	0	0	1,250
Southeastern Pennsylvania Transportation Authority					
ADDITIONAL FUNDING FOR THE FRANKFORD ELEVATED RECONSTRUCTION: These additional funds will provide the final amount to complete the Frankford Elevated Reconstruction project. This funding will support the reconstruction of the remaining three stations and the installation of an automatic train control system.	State	6,032	0	0	6,032
	Fed.	28,954	0	0	28,954
	Local	1,206	0	0	1,206
ADDITIONAL FUNDING FOR THE NORTH PHILADELPHIA TRANSPORTATION CENTER: This project will provide improvements in the area of Broad Street and Lehigh Avenue. The project will include renovation of North Philadelphia Broad Street Subway Station, new passenger facilities for bus routes, new passenger services center, improved pedestrian connectors between transit services and improved security.	State	203	0	0	203
	Fed.	974	0	0	974
	Local	41	0	0	41
ADDITIONAL FUNDS FOR 30TH STREET STATION RENOVATIONS: This project provides for ADA compliance, passenger conveniences consisting of new signage and announcements systems, increasing life safety emergency exits from platforms and maintenance rooms.	State	241	0	0	241
	Fed.	1,157	0	0	1,157
	Local	48	0	0	48
1999-00 FLEXIBLE HIGHWAY FUNDING: This project will provide for regional transit stop signage, transit information center, Frontier Division alternative fuel project, Media/Sharon Hill grade crossing improvements, Independence Gateway Transportation Center, vehicles and equipment for the University City/30th Street circulator and congestion alternatives (shuttles and increases to regional rail parking) to the planned U.S. Route 202 construction.	State	3,036	0	0	3,036
	Fed.	14,573	0	0	14,573
	Local	607	0	0	607

Department of Transportation 1999-00 Projects

(Dollar Amounts in Thousands)

TRANSPORTATION ASSISTANCE PROJECTS (continued)

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ADDITIONAL FUNDS FOR FRANKFORD TRANSPORTATION CENTER:					
This project will continue the project at Bridge-Pratt terminal and the realignment of and reconstruction of the elevated structure between Dyre Avenue and Bridge Street.					
State	\$	1,024	\$ 0	\$ 0	\$ 1,024
Fed.		4,915	0	0	4,915
Local		205	0	0	205
ADDITIONAL FUNDS FOR THE PAOLI TRANSPORTATION CENTER:					
This project provides for the continuation of the construction or at the existing Paoli Train Station located on SEPTA's R5 Paoli/Downingtown Regional rail line.					
State		208	0	0	208
Fed.		998	0	0	998
Local		42	0	0	42
SILVERLINER PROPULSION SYSTEM UPGRADES:					
This project includes the design and installation of equipment to replace existing wheelship, propulsion, dynamic brake electronics, diagnostics and low voltage based equipment. As necessary, propulsion upgrades will conducted on all Silverliner cars.					
State		417	0	0	417
Fed.		2,002	0	0	2,002
Local		83	0	0	83
1999-00 SECTION 9 PROGRAM PROJECTS:					
This project will contribute funding for the Frankford and North Philadelphia Transportation Centers and includes the installation of a communications system.					
State		10,063	0	0	10,063
Fed.		48,302	0	0	48,302
Local		2,013	0	0	2,013
1999-00 FIXED GUIDEWAY PROGRAM PROJECTS:					
This project includes improvements to the 30th Street to Suburban Station catenary and bridges, Paoli Transportation Center Station accessibility, subway/surface signal system modernization and Wayne Junction to Glenside track and signals renovations.					
State		17,637	0	0	17,637
Fed.		84,658	0	0	84,658
Local		3,527	0	0	3,527
SCHUYLKILL VALLEY METRO INFRASTRUCTURE:					
This project includes engineering and construction of infrastructure and the purchase of vehicles for the Schuylkill Valley Metro line from Center City to Norristown, and west to Perkiomen Junctions and Oaks at the U.S. 422 Expressway and, ultimately, to the Reading/West Reading area of Berks County.					
State		6,333	0	0	6,333
Fed.		30,398	0	0	30,398
Local		1,267	0	0	1,267
CROSS COUNTY METRO:					
This project includes the engineering for the infrastructure and vehicles of the Cross County Metro. The line is expected to provide circumferential service from the vicinity of Morrisville, Bucks County to Glenloch, Chester County, traversing Montgomery County.					
State		1,667	0	0	1,667
Fed.		8,002	0	0	8,002
Local		333	0	0	333

Department of Transportation 1999-00 Projects

(Dollar Amounts in Thousands)

TRANSPORTATION ASSISTANCE PROJECTS (continued)

	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
Department of Transportation				
ADDITIONAL FUNDING FOR THE KEYSTONE RAIL INITIATIVE:				
This project provides continuation funding for preliminary engineering, acquisition, construction, reconstruction of rail passenger facilities, stations and vehicles, grade crossings and other infrastructure improvements.				
State	\$ 5,000	\$ 0	\$ 0	\$ 5,000
Fed.	20,000	0	0	20,000
INTELLIGENT VEHICLE INITIATIVE: This project provides for rolling stock improvements, equipment and computer hardware for the implementation of a Collisions Avoidance Operational Demonstration Project in conjunction with the Port Authority of Allegheny County, Carnegie Mellon University and the Federal Transit Administration.				
State	1,000	0	0	1,000
Fed.	1,000	0	0	1,000
Williamsport Bureau of Transportation				
ADDITIONAL FUNDING FOR THE CENTRAL BUSINESS DISTRICT TRADE AND INTERMODAL TRANSIT FACILITY: This project continues funding for the construction of an intermodal transit center in downtown Williamsport.				
State	583	0	0	583
Fed.	2,800	0	0	2,800
Local	117	0	0	117
TOTAL STATE FUNDS.....	\$ 165,002	\$ 0	\$ 0	\$ 165,002
TOTAL FEDERAL FUNDS.....	694,451	0	0	694,451
TOTAL LOCAL FUNDS.....	28,061	0	0	28,061
PROGRAM TOTAL.....	\$ 887,514	\$ 0	\$ 0	\$ 887,514



Capital Budget

Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
ADAMS CO. US 15	State	\$ 700	\$ 10	\$ 100	\$ 810
Maryland Line to US 30	Fed	2,800	0	0	2,800
Pavement Rehabilitation	Total	3,500	10	100	3,610
ADAMS CO. US 30	State	920	10	100	1,030
Franklin Co Line to Cashtown Rd	Fed	3,680	0	0	3,680
Pavement Rehabilitation	Total	4,600	10	100	4,710
ADAMS CO. PA 94	State	40	100	150	290
Main St, York Springs, Idaville Rd	Fed	160	0	0	160
Intersection Improvement	Total	200	100	150	450
ALLEGHENY CO. I-279	State	25	0	4	29
Various Locations	Fed	225	0	36	261
Correct Slope Movement	Total	250	0	40	290
ALLEGHENY CO. I-279	State	75	0	8	83
City of Pittsburgh	Fed	675	0	72	747
Construct Retaining Wall	Total	750	0	80	830
ALLEGHENY CO. PA 28	State	800	0	0	800
PA 28 Southbound - PA 8 Ramp	Fed	3,200	0	0	3,200
Restoration & Ramp Reconstruction	Total	4,000	0	0	4,000
ALLEGHENY CO. PA 28	State	600	0	0	600
Roadway and Bridge over Ravine St.	Fed	2,400	0	0	2,400
Reconstruction	Total	3,000	0	0	3,000
ALLEGHENY CO. PA 65	State	138	75	26	239
Ohio R. Blvd, Grant to Riverview	Fed	1,242	675	225	2,142
Widen Roadway	Total	1,380	750	251	2,381
ALLEGHENY CO. PA 885	State	1,800	100	272	2,172
Blvd of Allies, Liberty Br to Pky Wst	Fed	7,200	400	228	7,828
Roadway Improvement	Total	9,000	500	500	10,000
ARMSTRONG CO. PA 28	State	330	40	64	434
SR 1035 North to SR 1018	Fed	1,320	160	256	1,736
Add Climbing Lane	Total	1,650	200	320	2,170
ARMSTRONG CO. PA 28	State	280	40	50	370
SR 1028 North to T-576	Fed	1,120	160	200	1,480
Add Climbing Lane	Total	1,400	200	250	1,850
ARMSTRONG CO. PA 28	State	270	40	265	575
SR 1018 North to SR 1027	Fed	1,080	160	265	1,505
Add Climbing Lane	Total	1,350	200	530	2,080
ARMSTRONG CO. PA 66	State	240	20	60	320
PA 66/SR 2059 Intersection	Fed	960	80	240	1,280
Intersection Improvement	Total	1,200	100	300	1,600
ARMSTRONG CO. PA 66	State	180	20	80	280
SR 2063 to SR 2032	Fed	720	0	0	720
Safety Improvement	Total	900	20	80	1,000
ARMSTRONG CO. PA 268	State	180	20	80	280
Pine St to Cedar Drive	Fed	720	0	0	720
Safety Improvements	Total	900	20	80	1,000

Capital Budget

Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
BERKS CO. PA 61	State	\$ 1,800	\$ 100	\$ 100	\$ 2,000
SR 3055 to SR 4017	Fed	7,200	400	400	8,000
Safety Improvements	Total	9,000	500	500	10,000
BERKS CO. PA 61	State	320	41	40	401
PA 61/Snyder Rd Intersection	Fed	1,280	164	160	1,604
Intersection Improvement	Total	1,600	205	200	2,005
BERKS CO. PA 82	State	400	0	400	800
Birdsboro Area Flood Washout	Fed	1,600	0	0	1,600
Reconstruct Roadway	Total	2,000	0	400	2,400
BERKS CO. PA 100	State	200	0	100	300
Mont Co to Lehigh Co, 4 Intersection	Fed	800	0	400	1,200
Intersection Improvements	Total	1,000	0	500	1,500
BRADFORD CO. PA 706	State	1,300	20	130	1,450
Wyalusing to Susq Co	Fed	5,200	80	520	5,800
Restoration	Total	6,500	100	650	7,250
BUTLER CO. I-79	State	600	0	20	620
SR 3025 to PA 488	Fed	5,400	0	180	5,580
Resurface	Total	6,000	0	200	6,200
BUTLER CO. US 19	State	140	20	80	240
US 19/PA 68 Intersection	Fed	560	0	0	560
Intersection Improvements	Total	700	20	80	800
BUTLER CO. PA 8	State	80	20	80	180
PA 8/PA 108 Intersection	Fed	320	0	0	320
Intersection Improvements	Total	400	20	80	500
BUTLER CO. PA 28	State	600	0	200	800
PA 28 & US 422 Expressways	Fed	2,400	0	0	2,400
Safety Improvements	Total	3,000	0	200	3,200
BUTLER CO. PA 228	State	140	20	80	240
PA 228/SR 2007/T-840 Intersection	Fed	560	0	0	560
Intersection/Safety Improvements	Total	700	20	80	800
BUTLER CO. PA 288	State	120	20	35	175
PA 288/PA 588 Intersection	Fed	480	80	140	700
Intersection Improvement	Total	600	100	175	875
CENTRE CO. US 322	State	36,000	3,400	1,200	40,600
Mt Nittany Expy to Potters Mills	Fed	144,000	13,600	4,800	162,400
4 Lane Reconstruction/Relocation	Total	180,000	17,000	6,000	203,000
CENTRE CO. US 322	State	2,000	0	250	2,250
Seven Mountains	Fed	8,000	0	1,000	9,000
Restoration	Total	10,000	0	1,250	11,250
CENTRE CO. PA 550	State	20	0	3	23
Intersection of SR 3008 and PA 550	Fed	80	0	12	92
Intersection Improvement	Total	100	0	15	115
CENTRE CO. SR 3022	State	5,996	1,200	521	7,717
University Drive Extension	Fed	0	0	0	0
2 Lane Relocation	Total	5,996	1,200	521	7,717



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Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CLARION CO. US 322	State	\$ 146	\$ 20	\$ 80	\$ 246
US 322/PA 208 Intersection	Fed	584	0	0	584
Intersection/Safety Improvements	Total	730	20	80	830
CLARION CO. US 322	State	160	20	130	310
US 322/PA 68 Intersection	Fed	640	0	0	640
Intersection Improvement	Total	800	20	130	950
CLARION CO. US 322	State	1,300	60	50	1,410
Venango Co Line to T-890	Fed	5,200	240	200	5,640
Safety Improvements	Total	6,500	300	250	7,050
CLARION CO. US 322	State	130	50	130	310
US 322/PA 66 Intersection	Fed	520	0	0	520
Intersection Improvement	Total	650	50	130	830
CLARION CO. US 322	State	230	20	130	380
SR 1007 to Airport Road	Fed	920	0	0	920
Widen, Add Center Turn Lane	Total	1,150	20	130	1,300
CLARION CO. PA 68	State	190	20	130	340
PA 68/SR 3012 Intersection	Fed	760	0	0	760
Intersection/Safety Improvements	Total	950	20	130	1,100
CLARION CO. PA 68	State	270	75	60	405
Reidsburg North to I-80	Fed	1,530	425	240	2,195
Add Lane, Reconstruction	Total	1,800	500	300	2,600
CLARION CO. PA 68	State	300	45	60	405
Craig's Run North to Piney Creek	Fed	1,700	425	240	2,365
Add Lane, Reconstruction	Total	2,000	470	300	2,770
CLARION CO. PA 68	State	600	60	70	730
I-80 North to Main Street	Fed	2,400	240	280	2,920
Safety Improvement	Total	3,000	300	350	3,650
CLEARFIELD CO. SR 3013	State	700	30	70	800
Ridge Ave Relocation	Fed	2,800	120	280	3,200
2 Lane Relocation	Total	3,500	150	350	4,000
CLINTON CO. PA 477	State	50	2	8	60
SR 477 Intersection near Salona	Fed	200	8	32	240
Intersection Improvement	Total	250	10	40	300
CLINTON CO. SR 1001	State	1,022	60	130	1,212
PA 664 to Near Queens Run	Fed	4,088	240	520	4,848
Safety Improvements	Total	5,110	300	650	6,060
CRAWFORD CO. PA 27	State	76	7	12	95
Lt Sugar Ck Br to Daden Rd	Fed	304	28	48	380
Safety Improvements	Total	380	35	60	475
CRAWFORD CO. PA 27	State	50	3	7	60
PA 27 at Frenchtown	Fed	200	12	28	240
Safety Improvements	Total	250	15	35	300

Capital Budget

Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
CRAWFORD CO. PA 77	State	\$ 120	\$ 6	\$ 9	\$ 135
PA 77/408 Intersection Improvement	Fed	480	24	36	540
Add Turn Lane and Widen	Total	600	30	45	675
CRAWFORD CO. SR 0006	State	3,303	72	222	3,597
Meadville E-W Byp, US 6 to PA 77	Fed	9,909	217	666	10,792
2 Lane Relocation	Total	13,212	289	888	14,389
CUMBERLAND CO. I-81	State	1,000	10	200	1,210
Franklin Co Line to Stoughstown Rd	Fed	9,000	0	0	9,000
Resurface	Total	10,000	10	200	10,210
CUMBERLAND CO. I-81	State	1,000	10	200	1,210
Stoughstown Rd to Petersburg Rd	Fed	9,000	0	0	9,000
Resurface	Total	10,000	10	200	10,210
CUMBERLAND CO. I-81	State	400	20	40	460
PA 944 Interchange	Fed	1,600	80	160	1,840
Interchange Improvements	Total	2,000	100	200	2,300
CUMBERLAND CO. US 15	State	1,000	10	300	1,310
York Co Line to US 15	Fed	4,000	0	0	4,000
Resurface	Total	5,000	10	300	5,310
CUMBERLAND CO. SR 1014	State	600	10	300	910
21st St to Harvey Taylor Bridge	Fed	2,400	0	0	2,400
Resurface	Total	3,000	10	300	3,310
ERIE CO. US 19	State	500	20	100	620
Summit Trk Plaza to Robinson Rd	Fed	2,000	80	400	2,480
Widen Roadway	Total	2,500	100	500	3,100
ERIE CO. US 19	State	1,700	200	100	2,000
US 19/PA 99 Intersection	Fed	0	0	0	0
Intersection Improvement	Total	1,700	200	100	2,000
ERIE CO. US 19	State	4,000	250	500	4,750
I-90/Peach St Interchange	Fed	0	0	0	0
Interchange Improvement	Total	4,000	250	500	4,750
INDIANA CO. US 22	State	37,500	0	0	37,500
PA 259 (Clyde) East	Fed	0	0	0	0
Add Lane, Restoration	Total	37,500	0	0	37,500
INDIANA CO. PA 286	State	300	60	40	400
T-813 West to Bypass	Fed	1,200	240	160	1,600
Add Lane	Total	1,500	300	200	2,000
INDIANA CO. PA 954	State	150	10	40	200
SR 4021 to US 119	Fed	600	0	0	600
Safety Improvements	Total	750	10	40	800
INDIANA CO. SR 3013	State	100	20	80	200
SR 3013/SR 3008 Intersection	Fed	400	0	0	400
Safety Improvement, Reconstruction	Total	500	20	80	600
INDIANA CO. SR 4005	State	210	20	130	360
Wayne Ave/Locust St Intersection	Fed	840	0	0	840
Intersection Improvements	Total	1,050	20	130	1,200

Capital Budget

Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
INDIANA CO. SR 4032	State	\$ 140	\$ 20	\$ 80	\$ 240
SR 4032/SR 4003 Intersection	Fed	560	0	0	560
Intersection Improvements	Total	700	20	80	800
JEFFERSON CO. I-80	State	350	0	200	550
Mill Creek East to SR 1005	Fed	3,150	0	0	3,150
Resurface	Total	3,500	0	200	3,700
JEFFERSON CO. US 119	State	800	100	200	1,100
Bell Twp to Big Run Creek	Fed	3,200	400	800	4,400
Safety Improvement	Total	4,000	500	1,000	5,500
JEFFERSON CO. US 119	State	130	20	130	280
PA 410 Intersection N of Big Run	Fed	520	0	0	520
Intersection/Safety Improvements	Total	650	20	130	800
JEFFERSON CO. US 219	State	200	10	40	250
L. Toby Creek to PA 28	Fed	800	40	160	1,000
Add Lane	Total	1,000	50	200	1,250
JEFFERSON CO. US 322	State	1,040	60	100	1,200
Reynoldsville to T-540	Fed	4,160	240	400	4,800
Add WB Climbing Lane	Total	5,200	300	500	6,000
JEFFERSON CO. PA 28	State	170	20	130	320
T-434 to Pine Creek Twp Line	Fed	680	0	0	680
Reconstruction	Total	850	20	130	1,000
JEFFERSON CO. PA 28	State	130	20	130	280
PA 28/SR 1011 Intersection	Fed	520	0	0	520
Intersection/Safety Improvements	Total	650	20	130	800
JEFFERSON CO. PA 36	State	130	20	130	280
PA 36/PA 949 Intersection	Fed	520	0	0	520
Intersection/Safety Improvements	Total	650	20	130	800
JEFFERSON CO. PA 536	State	130	20	130	280
PA 536/SR 3001 Intersection	Fed	520	0	0	520
Intersection/Safety Improvements	Total	650	20	130	800
LACKAWANNA CO. US 6	State	160	15	20	195
US 6 Bike Route, County Wide	Fed	640	60	80	780
Shoulder Improvement	Total	800	75	100	975
LACKAWANNA CO. SR 1023	State	0	0	50	50
Main-Gino Merli-Hosp	Fed	150	0	0	150
Signals, Left Turn Lane	Total	150	0	50	200
LACKAWANNA CO. SR 3013	State	240	25	70	335
Greenridge to Keystone, Scranton	Fed	960	100	280	1,340
Intersection Improvement, 12 Intersections	Total	1,200	125	350	1,675
LANCASTER CO. PA 441	State	172	0	100	272
River Rd Slide Area	Fed	688	0	0	688
Safety Improvement	Total	860	0	100	960
LEBANON CO. US 22	State	190	10	90	290
PA 343 to SR 1011	Fed	760	0	0	760
Resurface	Total	950	10	90	1,050

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Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
LEBANON CO. PA 72	State	\$ 150	\$ 5	\$ 35	\$ 190
US 322 to Lebanon City Intersection Improvements	Fed	1,350	45	315	1,710
	Total	1,500	50	350	1,900
LEBANON CO. PA 72	State	300	10	150	460
Jonestown Rd to I-78 Resurface	Fed	1,200	0	0	1,200
	Total	1,500	10	150	1,660
LUZERNE CO. PA 93	State	170	10	24	204
Myers Ave to County Rd Restoration	Fed	680	40	96	816
	Total	850	50	120	1,020
LUZERNE CO. PA 115	State	80	20	20	120
PA 115/Meadow Run Intersection Intersection Improvement	Fed	320	80	80	480
	Total	400	100	100	600
LUZERNE CO. PA 309	State	220	12	40	272
Mountain Top Area Widen Roadway	Fed	880	48	160	1,088
	Total	1,100	60	200	1,360
LUZERNE CO. PA 309	State	160	2	40	202
PA 309/Airport Rd Intersection Signal & Roadway Improvement	Fed	640	8	160	808
	Total	800	10	200	1,010
LYCOMING CO. I-180	State	1,250	0	200	1,450
US 15 to Warrensville Rd Interchange Add Lane in Each Direction	Fed	5,000	0	800	5,800
	Total	6,250	0	1,000	7,250
LYCOMING CO. I-180	State	899	0	57	956
Halls Station Inter to S. Muncy Inter Restoration	Fed	8,095	0	517	8,612
	Total	8,994	0	574	9,568
LYCOMING CO. US 15	State	1,450	20	30	1,500
US 15/PA 973 Int at Perryville Interchange & PA 973 Upgrade	Fed	5,800	80	120	6,000
	Total	7,250	100	150	7,500
LYCOMING CO. US 220	State	1,776	161	155	2,092
SR 1044 to East of Jersey Shore 4 Lane Divided Relocation	Fed	7,103	641	617	8,361
	Total	8,879	802	772	10,453
LYCOMING CO. US 220	State	200	200	300	700
W 4th St Int, EB on-WB off Ramps New Ramp Construction	Fed	0	0	0	0
	Total	200	200	300	700
LYCOMING CO. PA 118	State	50	10	16	76
PA 118/SR 2077 Interchange Interchange Improvement	Fed	200	40	64	304
	Total	250	50	80	380
McKEAN CO. US 219	State	897	0	1	898
US 219 North & South of Bradford Restoration	Fed	3,588	0	4	3,592
	Total	4,485	0	5	4,490
MERCER CO. PA 518	State	30	2	4	36
Walnut St/ Mercer Ave Intersection Intersection/Signal Improvement	Fed	270	18	36	324
	Total	300	20	40	360
MERCER CO. SR 3014	State	520	320	20	860
US 18 to Buhl Blvd. Add Lane, Widen Roadway	Fed	2,080	1,280	80	3,440
	Total	2,600	1,600	100	4,300



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Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
NORTHUMBERLAND CO. I-80	State	\$ 600	\$ 0	\$ 0	\$ 600
MP 207 to MP 214	Fed	5,400	0	0	5,400
Restoration	Total	6,000	0	0	6,000
NORTHUMBERLAND CO. I-180	State	800	50	50	900
I-180 Watsonstown Interchange	Fed	3,200	200	200	3,600
Add Interchange	Total	4,000	250	250	4,500
NORTHUMBERLAND CO. PA 61	State	1,800	200	360	2,360
Cameron Bridge Alternate	Fed	7,200	800	1,440	9,440
Intersection Improvemt, New Bridge	Total	9,000	1,000	1,800	11,800
PIKE CO. US 6	State	150	15	20	185
US 6 County Wide	Fed	600	60	80	740
Shoulder Improvement	Total	750	75	100	925
SCHUYLKILL CO. I-81	State	100	0	10	110
I-81 Ramp at TR 309	Fed	400	0	40	440
Ramp Restoration	Total	500	0	50	550
SCHUYLKILL CO. PA 61	State	600	100	100	800
I-78 to North of Port Clinton Boro Ln	Fed	2,400	400	400	3,200
Intersection Improvements	Total	3,000	500	500	4,000
SULLIVAN CO. US 220	State	540	16	60	616
Lycoming Co. Line to Mosey Run	Fed	2,160	64	240	2,464
2 Lane Reconstruction	Total	2,700	80	300	3,080
SULLIVAN CO. US 220	State	700	40	60	800
Muncy Valley to Sonestown	Fed	2,800	160	240	3,200
2-Lane Reconstruction	Total	3,500	200	300	4,000
SULLIVAN CO. PA 87	State	100	20	24	144
Hillsgrove Widening	Fed	400	80	96	576
Widen & Reconstruct to 24 Feet	Total	500	100	120	720
VENANGO CO. PA 38	State	800	100	100	1,000
Emlenton Hill Improvements	Fed	3,200	400	400	4,000
Add Lane, Truck Pull Off Lane	Total	4,000	500	500	5,000
VENANGO CO. PA 38	State	40	5	5	50
PA 38/PA 208 Intersection	Fed	160	20	20	200
Intersection Improvement	Total	200	25	25	250
VENANGO CO. PA 257	State	160	20	20	200
3rd Lane, Cranberry Twp	Fed	640	80	80	800
Add Lane	Total	800	100	100	1,000
VENANGO CO. PA 417	State	80	0	8	88
PA 417 at Warren Rd	Fed	320	0	32	352
Safety Improvement	Total	400	0	40	440
WARREN CO. US 6B	State	70	20	10	100
US 6B/Park Ave Intersection	Fed	280	80	40	400
Intersection Improvement	Total	350	100	50	500
WASHINGTON CO. I-70	State	800	100	100	1,000
Lover Interchange Ramps	Fed	3,200	400	400	4,000
Interchange Improvements	Total	4,000	500	500	5,000

Capital Budget

Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
WASHINGTON CO. I-79	State	\$ 300	\$ 300	\$ 300	\$ 900
I-79/SR 1047 Interchange	Fed	2,700	0	0	2,700
Interchange Improvements	Total	3,000	300	300	3,600
WASHINGTON CO. US 19	State	100	0	0	100
US 19/Glenn Cannon Dr Intersection	Fed	400	0	0	400
Intersection Improvements	Other	0	10	40	50
	Total	500	10	40	550
WASHINGTON CO. US 40	State	460	0	0	460
US 40/SR 3013 Intersection	Fed	1,840	0	0	1,840
Intersection Improvement	Total	2,300	0	0	2,300
WASHINGTON CO. PA 18	State	60	200	50	310
PA 18/SR 4008 Intersection	Fed	240	0	0	240
Intersection Improvement	Total	300	200	50	550
WASHINGTON CO. PA 88	State	100	50	50	200
PA 88/SR 0837 Intersection	Fed	400	0	0	400
Intersection Improvement	Total	500	50	50	600
WASHINGTON CO. PA 88	State	60	200	100	360
PA 88/SR 1006 Intersection	Fed	240	0	0	240
Intersection Improvement	Total	300	200	100	600
WASHINGTON CO. PA 136	State	300	200	200	700
PA 136/SR 1055 Intersection	Fed	1,200	0	0	1,200
Intersection Improvement	Total	1,500	200	200	1,900
WASHINGTON CO. PA 136	State	160	100	100	360
PA 136 Curve, Near Monongahela	Fed	640	0	0	640
Restoration	Total	800	100	100	1,000
WASHINGTON CO. PA 136	State	330	250	200	780
Ginger Hill Intersections	Fed	1,320	0	0	1,320
Intersection Improvement	Total	1,650	250	200	2,100
WASHINGTON CO. PA 519	State	200	100	200	500
PA 519/SR 1055 Intersection	Fed	800	0	0	800
Intersection Improvement	Total	1,000	100	200	1,300
WASHINGTON CO. PA 917	State	40	100	50	190
PA 917/SR 2040 Intersection	Fed	160	0	0	160
Intersection Improvement	Total	200	100	50	350
WASHINGTON CO. PA 980	State	200	100	100	400
PA 980 Approach to US 50	Fed	800	0	0	800
Intersection Improvement	Total	1,000	100	100	1,200
WASHINGTON CO. SR 1006	State	70	20	10	100
SR 1006 at SR 1053	Fed	280	80	40	400
Safety Improvements	Total	350	100	50	500
WASHINGTON CO. SR 1009	State	360	300	500	1,160
Pike/Allison Hollow Intersection	Fed	1,440	0	0	1,440
Intersection Improvement	Total	1,800	300	500	2,600



Capital Budget

Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
WASHINGTON CO. SR 1009	State	\$ 40	\$ 20	\$ 30	\$ 90
SR 1009/Farley Ave Intersection	Fed	160	0	0	160
Intersection Improvement	Total	200	20	30	250
WAYNE CO. US 6	State	150	15	20	185
US 6 Bike Route, County Wide	Fed	600	60	80	740
Shoulder Improvement	Total	750	75	100	925
WAYNE CO. PA 191	State	200	25	20	245
Hamlin to School	Fed	800	100	80	980
Safety Improvement	Total	1,000	125	100	1,225
WAYNE CO. PA 196	State	40	4	20	64
PA 196/PA 296 & T367 Intersection	Fed	160	16	80	256
Intersection Improvement	Total	200	20	100	320
WAYNE CO. PA 296	State	70	10	20	100
PA 296/SR 3030 Intersection	Fed	280	40	80	400
Intersection Improvement	Total	350	50	100	500
WESTMORELAND CO. I-70	State	1,000	200	100	1,300
New Stanton Interchange	Fed	9,000	1,800	900	11,700
Interchange Improvement	Total	10,000	2,000	1,000	13,000
WESTMORELAND CO. US 30	State	600	500	125	1,225
US 30 at PA 981	Fed	2,400	0	0	2,400
Intersection Improvement	Total	3,000	500	125	3,625
WESTMORELAND CO. US 30	State	500	500	250	1,250
SR 4019 to Malts Lane	Fed	2,000	0	0	2,000
Add Lane	Total	2,500	500	250	3,250
WESTMORELAND CO. US 30	State	400	500	300	1,200
Allegheny Co Line to SR 4019	Fed	1,600	0	0	1,600
Add Lane	Total	2,000	500	300	2,800
WESTMORELAND CO. US 119	State	2,000	200	200	2,400
Intermodal Access at Sony Plant	Fed	8,000	800	800	9,600
Interchange Improvements	Total	10,000	1,000	1,000	12,000
WESTMORELAND CO. PA 56	State	80	10	40	130
PA 56 at Jr HS Road & SR 4048	Fed	320	0	0	320
Add Lane & Signals	Total	400	10	40	450
WESTMORELAND CO. PA 56	State	80	10	40	130
PA 56/SR 4048 Hyde Park Road	Fed	320	0	0	320
Intersection Improvement	Total	400	10	40	450
WESTMORELAND CO. PA 366	State	500	50	250	800
PA 56 to Tarentum Bridge	Fed	2,000	0	0	2,000
Add Lane, Signal Improvement	Total	2,500	50	250	2,800
WESTMORELAND CO. PA 366	State	1,000	500	250	1,750
Tarentum Bridge to Industrial Blvd	Fed	4,000	0	0	4,000
Widen Roadway	Total	5,000	500	250	5,750
WESTMORELAND CO. PA 981	State	120	10	70	200
PA 981/Monastery Dr Intersection	Fed	480	0	0	480
Add Lane, Signal Improvement	Total	600	10	70	680

Capital Budget

Department of Transportation 1999-00 Projects

(DOLLAR AMOUNTS IN THOUSANDS)

FROM CURRENT REVENUES

HIGHWAY PROJECTS

Program: Highway and Safety Improvement

		Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
WYOMING CO. US 6	State	\$ 120	\$ 15	\$ 20	\$ 155
US 6 Bike Route, County Wide	Fed	480	60	80	620
Shoulder Improvement	Total	600	75	100	775
YORK CO. US 30	State	500	10	100	610
PA 24 to Hallam Interchange	Fed	2,000	0	0	2,000
Resurface	Total	2,500	10	100	2,610
YORK CO. PA 177	State	30	3	13	46
PA 382 Intersection	Fed	270	22	112	404
Intersection Improvement	Total	300	25	125	450
YORK CO. PA 194	State	150	10	20	180
Intersection With SR 4012	Fed	1,350	90	180	1,620
Intersection Improvement	Total	1,500	100	200	1,800
Total State.....		\$ 143,195	\$ 12,816	\$ 15,193	\$ 171,204
Total Federal.....		\$ 404,731	\$ 27,270	\$ 23,333	\$ 455,334
Total Other.....		\$ 0	\$ 10	\$ 40	\$ 50
PROGRAM TOTAL.....		\$ 547,926	\$ 40,096	\$ 38,566	\$ 626,588

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)

	2000-01	2001-02	2002-03	2003-04
Agriculture.....	\$ 1,175	\$ 1,244	\$ 1,313	\$ 1,382
Conservation and Natural Resources.....	19,903	24,956	26,009	29,062
Corrections.....	23,365	24,741	26,114	27,489
Education.....	42,922	45,446	47,971	50,496
Environmental Protection.....	8,594	9,011	8,729	9,146
Fish and Boat Commission.....	5,000	5,000	5,000	5,000
Game Commission.....	2,000	1,000	1,000	1,000
General Services.....	22,044	23,341	24,638	25,935
Historical and Museum Commission.....	18,727	19,828	20,930	22,031
Military and Veterans Affairs.....	9,557	10,120	10,682	11,244
Public Welfare.....	14,849	15,722	16,596	17,469
State Police.....	5,145	5,447	5,750	6,053
Transportation.....	147,219	212,644	238,068	258,493
TOTAL.....	\$ 320,500	\$ 398,500	\$ 432,800	\$ 464,800

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future Capital Budgets from 1999-00 through 2003-04. 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

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex and the Laboratory.	\$ 1,175	\$ 1,244	\$ 1,313	\$ 1,382
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.	17,903	18,956	20,009	21,062
Corrections				
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 furniture and equipment authorizations.	23,365	24,741	26,114	27,489
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 furniture and equipment authorizations.	42,922	45,446	47,971	50,496
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 furniture and equipment authorizations.	7,094	7,511	7,929	8,346
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, and to control floods, and to control, preserve, and regulate the flow of rivers and streams.	1,500	1,500	800	800
General Services				
PUBLIC IMPROVEMENT PROJECTS: Provides for the construction, renovation, and improvements to State Office buildings and facilities.	22,044	23,341	24,638	25,935

Forecast of Future Projects

(Dollar Amounts in Thousands)

FROM CAPITAL FACILITIES BOND FUNDS (continued)	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
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 furniture and equipment authorizations.	\$ 18,727	\$ 19,828	\$ 20,930	\$ 22,031
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 furniture and equipment authorizations.	9,557	10,120	10,682	11,244
Public Welfare				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities and utilities at the State institutions for the mentally ill and mentally retarded, restoration centers and youth development centers. Also may include furniture and equipment authorizations.	14,849	15,722	16,596	17,469
State Police				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion and construction of troop headquarters/station facilities and driver examination facilities. May include furniture and equipment authorizations.	5,145	5,447	5,750	6,053
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 furniture and equipment authorizations.	7,219	7,644	8,068	8,493
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.	40,000	80,000	90,000	100,000
CAPITAL FACILITIES BOND FUNDS				
Total — Public Improvement Program.....	\$ 170,000	\$ 180,000	\$ 190,000	\$ 200,000
Total — Flood Control Program.....	1,500	1,500	800	800
Total — Transportation Assistance Program.....	40,000	80,000	90,000	100,000
SUBTOTAL— CAPITAL FACILITIES BOND FUNDS.....	\$ 211,500	\$ 261,500	\$ 280,800	\$ 300,800

Forecast of Future Projects

(Dollar Amounts in Thousands)

	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
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, environmental protection or essential for facility operation.				
	\$ 2,000	\$ 6,000	\$ 6,000	\$ 8,000
Fish and Boat Commission				
PUBLIC IMPROVEMENT PROJECTS - FISH AND BOAT FUND: Provides for acquisition of property, construction of new capital assets and renovation of existing facilities for the development of fisheries and recreational boating facilities.				
	5,000	5,000	5,000	5,000
Game Commission				
PUBLIC IMPROVEMENT PROJECTS — GAME FUND: Provides for acquisition of additional State game lands.				
	2,000	1,000	1,000	1,000
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.				
	100,000	125,000	140,000	150,000
CURRENT REVENUES				
Total – Public Improvement Program.....	\$ 9,000	\$ 12,000	\$ 12,000	\$ 14,000
Total – Highway Program.....	100,000	125,000	140,000	150,000
SUBTOTAL – CURRENT REVENUES.....	109,000	137,000	152,000	164,000
TOTAL – ALL PROGRAMS.....	\$ 320,500	\$ 398,500	\$ 432,800	\$ 464,800



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	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Executive Offices.....	\$ 68,076	\$ 66,696	\$ 14,727	\$ 0	\$ 0
Agriculture.....	1,269	3,443	4,350	5,593	7,644
Conservation and Natural Resources.....	27,152	30,721	30,483	28,013	26,331
Community and Economic Development.....	289,827	332,301	188,492	77,209	551
Corrections.....	86,931	83,068	39,159	35,615	40,586
Education.....	131,561	109,534	85,781	70,948	64,894
Emergency Management Agency.....	275	1,042	1,084	919	736
Environmental Protection.....	19,694	22,183	25,561	16,463	12,907
Fish and Boat Commission.....	2,103	3,769	5,438	5,750	5,750
Game Commission.....	1,927	2,000	1,000	1,000	1,000
General Services.....	135,247	124,299	95,437	37,979	21,618
Historical and Museum Commission.....	5,757	6,390	7,595	10,805	14,660
Military and Veterans Affairs.....	1,625	5,279	5,197	6,060	8,364
Public Welfare.....	10,484	10,435	12,016	14,430	19,236
State Police.....	2,215	2,531	3,795	6,008	9,541
Transportation.....	539,438	579,979	590,133	587,424	588,589
TOTAL - ALL STATE FUNDS.....	\$ 1,323,581	\$ 1,383,670	\$ 1,110,248	\$ 904,216	\$ 822,407

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)

	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
CAPITAL FACILITIES BOND FUNDS					
Executive Offices					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 20,619	\$ 792	\$ 0	\$ 0	\$ 0
Furniture and Equipment.....	47,457	65,904	14,727	0	0
TOTAL - EXECUTIVE OFFICES.....	\$ 68,076	\$ 66,696	\$ 14,727	\$ 0	\$ 0
Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 508	\$ 1,774	\$ 1,681	\$ 1,063	\$ 265
Furniture and Equipment.....	592	134	14	0	0
Projects in 1998-99 Budget					
Buildings and Structures.....	2	22	36	60	96
Projects in 1999-00 Budget					
Buildings and Structures.....	167	1,501	2,501	4,169	6,670
Future Projects (2000-04)					
Buildings and Structures.....	0	12	118	301	613
TOTAL - AGRICULTURE.....	\$ 1,269	\$ 3,443	\$ 4,350	\$ 5,593	\$ 7,644
Conservation and Natural Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 15,566	\$ 17,764	\$ 16,070	\$ 10,164	\$ 2,538
Furniture and Equipment.....	81	251	157	0	0
Projects in 1998-99 Budget					
Buildings and Structures.....	41	369	615	1,025	1,640
Furniture and Equipment.....	96	304	0	0	0
Projects in 1999-00 Budget					
Buildings and Structures.....	39	354	590	983	1,572
Furniture and Equipment.....	79	251	0	0	0
Future Projects (2000-04)					
Buildings and Structures.....	0	179	1,801	4,591	9,331
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	\$ 15,902	\$ 19,472	\$ 19,233	\$ 16,763	\$ 15,081
Community and Economic Development					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	27,962	3,684	3,492	2,209	551
Subtotal.....	\$ 27,962	\$ 3,684	\$ 3,492	\$ 2,209	\$ 551
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition and Construction.....	261,865	328,617	185,000	75,000	0
TOTAL - COMMUNITY AND ECONOMIC DEVELOPMENT.....	\$ 289,827	\$ 332,301	\$ 188,492	\$ 77,209	\$ 551

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 86,323	\$ 77,362	\$ 27,689	\$ 13,771	\$ 3,438
Furniture and Equipment.....	0	0	0	650	650
Projects in 1998-99 Budget					
Buildings and Structures.....	296	2,667	4,445	7,409	11,854
Projects in 1999-00 Budget					
Buildings and Structures.....	312	2,805	4,675	7,792	12,467
Future Projects (2000-04)					
Buildings and Structures.....	0	234	2,350	5,993	12,177
TOTAL - CORRECTIONS.....	\$ 86,931	\$ 83,068	\$ 39,159	\$ 35,615	\$ 40,586
Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 121,591	\$ 82,144	\$ 66,871	\$ 42,292	\$ 10,559
Furniture and Equipment.....	8,355	20,211	9,820	9,694	19,239
Projects in 1998-99 Budget					
Buildings and Structures.....	28	249	416	693	1,108
Furniture and Equipment.....	1,023	3,067	0	0	0
Projects in 1999-00 Budget					
Buildings and Structures.....	290	2,614	4,357	7,261	11,618
Furniture and Equipment.....	274	820	0	0	0
Future Projects (2000-04)					
Buildings and Structures.....	0	429	4,317	11,008	22,370
TOTAL - EDUCATION.....	\$ 131,561	\$ 109,534	\$ 85,781	\$ 70,948	\$ 64,894
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	260	907	859	544	136
Projects in 1999-00 Budget					
Buildings and Structures.....	15	135	225	375	600
TOTAL - EMERGENCY MANAGEMENT.....	\$ 275	\$ 1,042	\$ 1,084	\$ 919	\$ 736
Environmental Protection					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	9,869	12,061	10,911	6,901	1,723
Projects in 1998-99 Budget					
Buildings and Structures.....	38	346	576	960	1,536
Projects in 1999-00 Budget					
Buildings and Structures.....	128	1,155	1,925	3,209	5,134
Furniture and Equipment.....	640	2,025	0	0	0
Future Projects (2000-04)					
Buildings and Structures.....	0	71	713	1,819	3,698
Subtotal.....	\$ 10,675	\$ 15,658	\$ 14,125	\$ 12,889	\$ 12,091



Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Environmental Protection (continued)					
Flood Control Projects.....					
Projects Currently Authorized.....					
Structures and Improvements.....	7,504	5,892	9,749	2,119	0
Projects in 1998-99 Budget.....					
Structures and Improvements.....	1,443	96	385	97	0
Projects in 1999-00 Budget.....					
Structures and Improvements.....	72	297	72	0	0
Future Projects (2000-04).....					
Structures and Improvements.....	0	240	1,230	1,358	816
Subtotal.....	<u>\$ 9,019</u>	<u>\$ 6,525</u>	<u>\$ 11,436</u>	<u>\$ 3,574</u>	<u>\$ 816</u>
TOTAL - ENVIRONMENTAL PROTECTION.....	<u>\$ 19,694</u>	<u>\$ 22,183</u>	<u>\$ 25,561</u>	<u>\$ 16,463</u>	<u>\$ 12,907</u>
General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 134,962	\$ 119,188	\$ 88,566	\$ 29,209	\$ 5,145
Furniture and Equipment.....	160	3,769	2,785	0	0
Projects in 1999-00 Budget					
Buildings and Structures.....	125	1,122	1,869	3,116	4,985
Future Projects (2000-04)					
Buildings and Structures.....	0	220	2,217	5,654	11,488
TOTAL - GENERAL SERVICES.....	<u>\$ 135,247</u>	<u>\$ 124,299</u>	<u>\$ 95,437</u>	<u>\$ 37,979</u>	<u>\$ 21,618</u>
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 5,407	\$ 5,150	\$ 4,613	\$ 2,918	\$ 728
Furniture and Equipment.....	322	699	154	0	0
Projects in 1999-00 Budget					
Buildings and Structures.....	28	248	414	690	1,104
Future Projects (2000-04)					
Buildings and Structures.....	0	187	1,883	4,803	9,760
Furniture and Equipment.....	0	106	531	2,394	3,068
TOTAL - HISTORICAL AND MUSEUM.....	<u>\$ 5,757</u>	<u>\$ 6,390</u>	<u>\$ 7,595</u>	<u>\$ 10,805</u>	<u>\$ 14,660</u>
Military and Veterans Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	902	2,956	2,797	1,769	442
Furniture and Equipment.....	650	1,565	335	0	0
Projects in 1998-99 Budget					
Buildings and Structures.....	25	226	377	628	1,004
Projects in 1999-00 Budget					
Buildings and Structures.....	48	436	727	1,211	1,938
Future Projects (2000-04)					
Buildings and Structures.....	0	96	961	2,452	4,980
TOTAL - MILITARY AFFAIRS.....	<u>\$ 1,625</u>	<u>\$ 5,279</u>	<u>\$ 5,197</u>	<u>\$ 6,060</u>	<u>\$ 8,364</u>

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 9,876	\$ 7,453	\$ 6,437	\$ 4,071	\$ 1,016
Furniture and Equipment.....	346	475	156	0	0
Projects in 1998-99 Budget					
Buildings and Structures.....	65	589	981	1,635	2,616
Projects in 1999-00 Budget					
Buildings and Structures.....	197	1,770	2,949	4,916	7,865
Future Projects (2000-04)					
Buildings and Structures.....	0	148	1,493	3,808	7,739
TOTAL - PUBLIC WELFARE.....	\$ 10,484	\$ 10,435	\$ 12,016	\$ 14,430	\$ 19,236
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	\$ 1,972	\$ 938	\$ 750	\$ 475	\$ 119
Furniture and Equipment.....	74	25	0	0	0
Projects in 1998-99 Budget					
Buildings and Structures.....	40	356	593	988	1,580
Projects in 1999-00 Budget					
Buildings and Structures.....	129	1,161	1,935	3,225	5,160
Future Projects (2000-04)					
Buildings and Structures.....	0	51	517	1,320	2,682
TOTAL - STATE POLICE.....	\$ 2,215	\$ 2,531	\$ 3,795	\$ 6,008	\$ 9,541
Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures.....	3,857	4,958	4,502	2,847	711
Furniture and Equipment.....	75	25	0	0	0
Projects in 1998-99 Budget					
Buildings and Structures.....	60	540	900	1,500	2,400
Projects in 1999-00 Budget					
Buildings and Structures.....	88	788	1,314	2,190	3,504
Furniture and Equipment.....	468	1,482	0	0	0
Future Projects (2000-04)					
Buildings and Structures.....	0	72	726	1,852	3,763
Subtotal.....	\$ 4,548	\$ 7,865	\$ 7,442	\$ 8,389	\$ 10,378
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit, Rail and Air.....	100,000	92,000	77,000	66,000	60,000
Projects in 1998-99 Budget					
Mass Transit, Rail and Air.....	494	282	282	212	141
Projects in 1999-00 Budget					
Mass Transit, Rail and Air.....	41,251	33,000	33,000	36,300	42,901
Future Projects (2000-04)					
Mass Transit, Rail and Air.....	0	14,000	30,400	38,400	38,000
Subtotal.....	\$ 141,745	\$ 139,282	\$ 140,682	\$ 140,912	\$ 141,042
TOTAL - TRANSPORTATION.....	\$ 146,293	\$ 147,147	\$ 148,124	\$ 149,301	\$ 151,420

Capital Budget

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
TOTAL - CAPITAL FACILITIES BOND FUNDS					
Public Improvement Projects					
Buildings and Structures.....	\$ 441,835	\$ 358,283	\$ 284,754	\$ 215,869	\$ 202,423
Furniture and Equipment.....	60,692	101,113	28,679	12,738	22,957
Redevelopment Assistance Projects					
Acquisition and Construction.....	261,865	328,617	185,000	75,000	0
Flood Control Projects					
Structures and Improvements.....	9,019	6,525	11,436	3,574	816
Transportation Assistance Projects					
Mass Transit, Rail and Air.....	141,745	139,282	140,682	140,912	141,042
TOTAL.....	\$ 915,156	\$ 933,820	\$ 650,551	\$ 448,093	\$ 367,238
CURRENT REVENUES					
FISH AND BOAT FUND					
Fish and Boat Commission					
Public Improvement Projects					
Projects Currently Authorized	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Projects in 1999-00 Budget	1,353	1,353	1,354	0	0
Future Projects (2000-04).....	0	1,666	3,334	5,000	5,000
TOTAL - FISH AND BOAT COMMISSION.....	\$ 2,103	\$ 3,769	\$ 5,438	\$ 5,750	\$ 5,750
GAME FUND					
Game Commission					
Public Improvement Projects					
Projects in 1999-00 Budget	\$ 1,927	\$ 0	\$ 0	\$ 0	\$ 0
Future Projects (2000-04).....	0	2,000	1,000	1,000	1,000
TOTAL - GAME COMMISSION.....	\$ 1,927	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,000
KEYSTONE RECREATION, PARK AND CONSERVATION FUND					
Conservation and Natural Resources					
Keystone Recreation, Park and Conservation Projects - Acquisition, Improvements and Restoration					
Projects in 1998-99 Budget.....	\$ 5,513	\$ 2,362	\$ 0	\$ 0	\$ 0
Projects in 1999-00 Budget.....	5,737	8,887	9,850	5,398	0
Future Projects (2000-04).....	0	0	1,400	5,852	11,250
TOTAL - CONSERVATION AND NATURAL RESOURCES.....	\$ 11,250	\$ 11,249	\$ 11,250	\$ 11,250	\$ 11,250

Estimate of Capital Expenditures

(Dollar Amounts in Thousands)

	1999-00 Estimated	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
MOTOR LICENSE FUND					
Transportation					
Highway and Bridge Projects					
Projects Currently Authorized.....	\$ 374,424	\$ 402,697	\$ 411,437	\$ 398,212	\$ 387,780
Projects in 1999-00 Budget.....	18,721	20,135	20,572	19,911	19,389
Future Projects (2000-04).....	0	10,000	10,000	20,000	30,000
TOTAL - TRANSPORTATION.....	\$ 393,145	\$ 432,832	\$ 442,009	\$ 438,123	\$ 437,169
TOTAL - CURRENT REVENUES					
Public Improvement Projects					
Fish and Boat Fund.....	\$ 2,103	\$ 3,769	\$ 5,438	\$ 5,750	\$ 5,750
Public Improvement Projects					
Game Fund.....	1,927	2,000	1,000	1,000	1,000
Acquisition, Improvement and Restoration Projects					
Keystone Recreation, Park and Conservation Fund.....	11,250	11,249	11,250	11,250	11,250
Highway and Bridge Projects					
Motor License Fund	393,145	432,832	442,009	438,123	437,169
TOTAL - CURRENT REVENUES.....	\$ 408,425	\$ 449,850	\$ 459,697	\$ 456,123	\$ 455,169
TOTAL - ALL STATE FUNDS.....	\$ 1,323,581	\$ 1,383,670	\$ 1,110,248	\$ 904,216	\$ 822,407





Governor's Executive Budget

PUBLIC DEBT



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:

- Referendums 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 is not to 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, but for no longer than 20 years.
 - All long-term financing should be sold by competitive bid.
 - Level principal maturity structures are the preferred debt structure for long-term financings.
 - Debt service paid by the General Fund should not exceed four 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.
-



DEBT AUTHORIZED, ISSUED AND OUTSTANDING

The following statement reflects the debt of the Commonwealth as of December 31, 1998, including bond anticipation notes. Issues that have been completely redeemed, such as those of the General State Authority, which went out of existence in July 1997, 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.

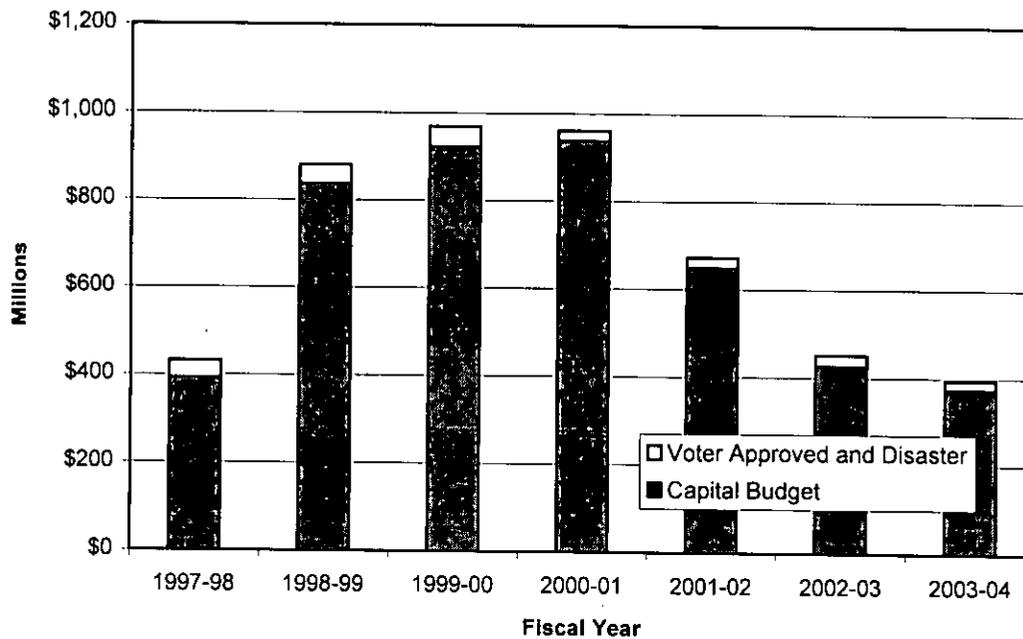
	(Dollar Amounts in Thousands)		
	Total Debt Authorized	Total Original Debt Issued	Debt Outstanding*
Debt Subject to Constitutional Limit			
Capital Budget.....	\$ 31,692,016	\$ 9,512,830	\$ 2,876,085
Capital Budget Refunding Bonds Outstanding.....			1,294,374
Less: Capital Debt Fund Balance.....			-8,308
Subtotal.....	<u>\$ 31,692,016</u>	<u>\$ 9,512,830</u>	<u>\$ 4,162,151</u>
Debt Not Subject to Constitutional Limit - Voter Approved and Disaster			
Disaster Relief.....	\$ 192,708	\$ 170,800	\$ 28,785
Disaster Relief 1996.....	110,000	21,200	21,200
Economic Revitalization.....	190,000	176,000	33,645
Land and Water Development.....	500,000	499,700	51,625
Nursing Home Loan Agency.....	100,000	69,000	2,125
Project 70 Land Acquisition.....	70,000	70,000	1,490
Vietnam Veterans' Compensation.....	65,000	62,000	6,180
Volunteer Companies Loan.....	50,000	50,000	25,325
Water Facilities - 1981 Referendum.....	300,000	288,500	114,695
PENNVEST- 1988 & 1992 Referenda.....	650,000	375,000	258,135
Agricultural Conservation Easement.....	100,000	100,000	75,085
Local Criminal Justice.....	200,000	189,000	162,630
Keystone Recreation, Park and Conservation.....	50,000	50,000	46,920
Refunding Bonds Outstanding.....		329,369	208,224
Less: Non-capital Sinking Fund Balances.....			-86
Subtotal.....	<u>\$ 2,577,708</u>	<u>\$ 2,450,569</u>	<u>\$ 1,035,978</u>
TOTAL.....	<u>\$ 34,269,724</u>	<u>\$ 11,963,399</u>	<u>\$ 5,198,129</u>

* Total of debt issued plus accreted interest on capital appreciation bonds less debt redeemed or refunded.

GENERAL OBLIGATION BOND ISSUES 1997-98 Through 2003-04

This table shows the projected amount of general obligation bonds of the Commonwealth to be issued during the current fiscal year and the subsequent five fiscal years based on current projects. Refunding bonds are not included in the data.

New General Obligation Bond Issues

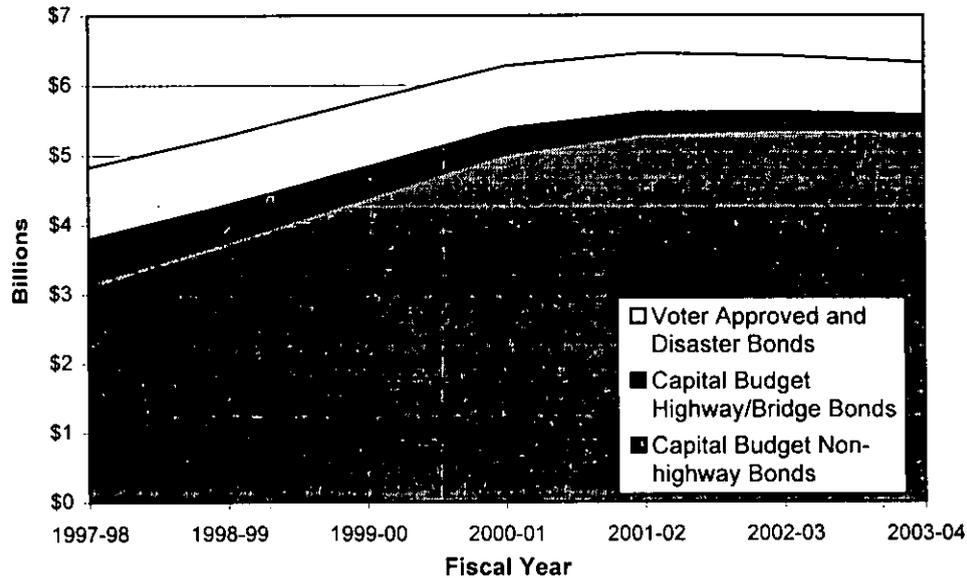


General Obligation Bond Issues	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Capital Budget							
Buildings and Structures.....	\$ 200,000	\$ 600,000	\$ 410,000	\$ 360,000	\$ 280,000	\$ 210,000	\$ 200,000
Flood Control.....	7,800	6,000	12,000	7,000	10,000	4,000	5,000
Furnishings and Equipment.....	7,000	10,000	70,000	100,000	28,000	12,000	23,000
Redevelopment Assistance.....	45,000	70,000	280,000	330,000	185,000	60,000	0
Transportation Assistance.....	132,000	150,000	150,000	140,000	145,000	140,000	145,000
Subtotal.....	<u>\$ 391,800</u>	<u>\$ 836,000</u>	<u>\$ 922,000</u>	<u>\$ 937,000</u>	<u>\$ 648,000</u>	<u>\$ 426,000</u>	<u>\$ 373,000</u>
Voter Approved and Disaster							
Agricultural Conservation Easement.....	\$ 0	\$ 19,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief.....	0	0	26,000	0	0	0	0
Keystone Recreation, Park & Conservation...	14,000	0	0	0	0	0	0
Local Criminal Justice.....	5,000	3,000	1,000	3,000	3,000	4,000	0
PENNVEST -- 1988 & 1992 Referenda.....	15,000	20,000	20,000	20,000	20,000	20,000	20,000
Volunteer Companies Loan.....	6,000	0	0	0	0	0	0
Water Facilities Loan -- 1981 Referendum..	0	1,500	0	1,500	1,500	1,500	1,500
Subtotal.....	<u>\$ 40,000</u>	<u>\$ 43,500</u>	<u>\$ 47,000</u>	<u>\$ 24,500</u>	<u>\$ 24,500</u>	<u>\$ 25,500</u>	<u>\$ 21,500</u>
TOTAL.....	<u><u>\$ 431,800</u></u>	<u><u>\$ 879,500</u></u>	<u><u>\$ 969,000</u></u>	<u><u>\$ 961,500</u></u>	<u><u>\$ 672,500</u></u>	<u><u>\$ 451,500</u></u>	<u><u>\$ 394,500</u></u>

GENERAL OBLIGATION DEBT OUTSTANDING 1997-98 Through 2003-04

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)].

**Projected Total Debt Outstanding
Fiscal Year End**

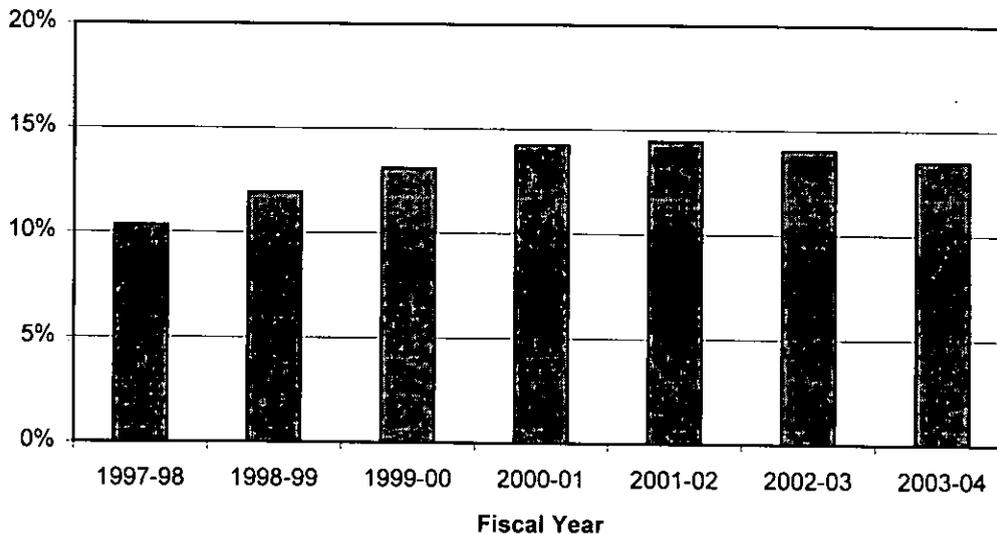


	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Fiscal Year End Debt Outstanding							
Capital Budget Non-highway Bonds...	\$ 3,164,377	\$ 3,758,035	\$ 4,395,666	\$ 5,015,281	\$ 5,306,419	\$ 5,359,822	\$ 5,347,533
Capital Budget Highway/Bridge Bonds	638,747	533,003	436,280	363,242	303,648	260,290	225,923
Voter Approved and Disaster Bonds...	1,024,944	989,177	955,971	899,730	847,816	796,638	749,314
TOTAL.....	\$ 4,828,068	\$ 5,280,215	\$ 5,787,917	\$ 6,278,253	\$ 6,457,883	\$ 6,416,750	\$ 6,322,770

CONSTITUTIONAL DEBT LIMIT 1997-98 Through 2003-04

The Commonwealth 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 five fiscal years.

Capital Budget Debt as a Percent of the Debt Limit



	(Dollar Amounts in Thousands)						
	1997-98 Actual	1998-99 Estimated	1999-00 Budget	2000-01 Estimated	2001-02 Estimated	2002-03 Estimated	2003-04 Estimated
Debt Limit Projection							
Capital Budget Debt Subject to Constitutional Debt Limit:							
Outstanding Debt							
Beginning of Fiscal Year.....	\$ 3,724,553	\$ 3,679,286	\$ 4,291,038	\$ 4,831,946	\$ 5,378,523	\$ 5,610,067	\$ 5,620,112
Debt to be issued.....	391,800	836,000	922,000	937,000	648,000	426,000	373,000
Debt to be Retired*.....	-437,067	-224,248	-381,092	-390,423	-416,456	-415,955	-419,656
Outstanding Debt							
End of Fiscal Year**.....	<u>\$ 3,679,286</u>	<u>\$ 4,291,038</u>	<u>\$ 4,831,946</u>	<u>\$ 5,378,523</u>	<u>\$ 5,610,067</u>	<u>\$ 5,620,112</u>	<u>\$ 5,573,456</u>
Debt Limit (from below).....	35,686,089	36,023,426	36,940,262	37,787,138	38,862,535	40,115,382	41,350,225
Capital Budget Debt as a percent of Debt Limit.....	10.3%	11.9%	13.1%	14.2%	14.4%	14.0%	13.5%
Calculation of Debt Limit:							
Average Tax Revenues							
Previous Five Years.....	\$ 20,392,051	\$ 20,584,815	\$ 21,108,721	\$ 21,592,650	\$ 22,207,163	\$ 22,923,075	\$ 23,628,700
Debt Limit (1.75 times revenues).	35,686,089	36,023,426	36,940,262	37,787,138	38,862,535	40,115,382	41,350,225

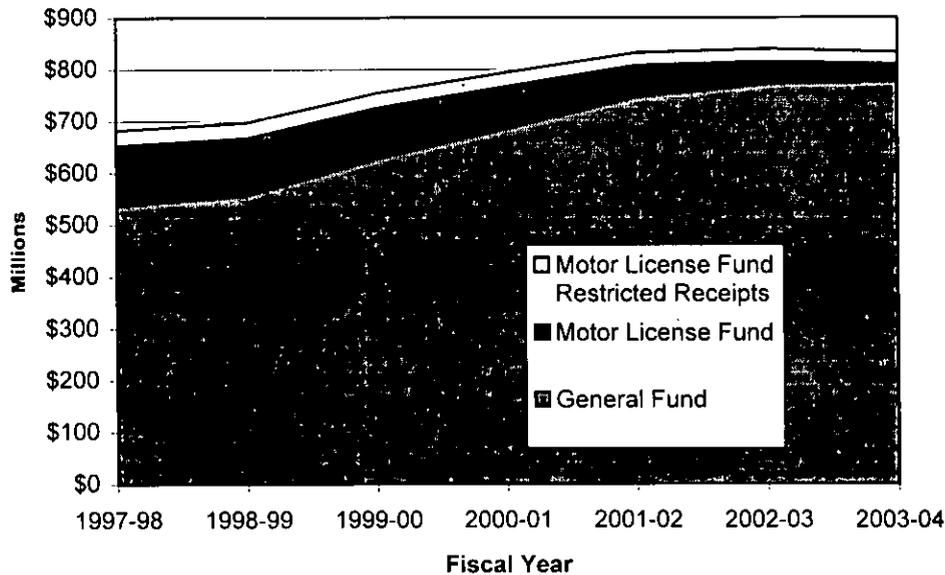
* Net of interest accreting on capital appreciation bonds during fiscal year.

** 1997-98 amount is net of sinking fund balances.

DEBT SERVICE ON GENERAL OBLIGATION DEBT 1997-98 Through 2003-04

This table shows the amounts necessary to pay estimated debt service by the Commonwealth on currently outstanding general obligation bonds, outstanding bond anticipation notes, and on projected general obligation bond issues.

Debt Service on General Obligation Debt



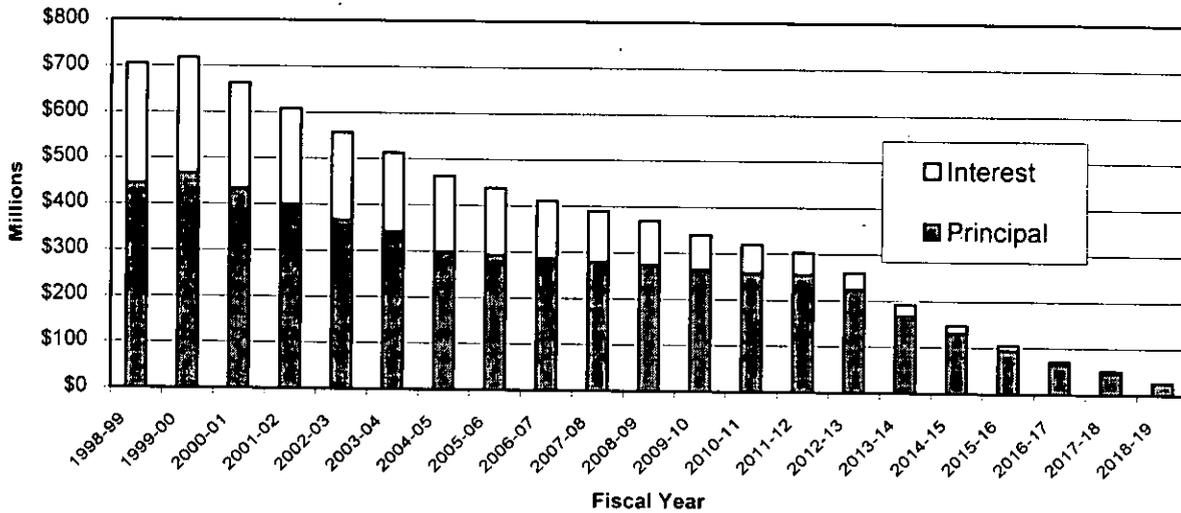
	(Dollar Amounts in Thousands)						
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated
General Fund							
Capital Budget Non-Highway.....	\$ 406,513	\$ 428,888	\$ 496,499	\$ 559,173	\$ 625,855	\$ 653,886	\$ 668,709
Voter Approved and Disaster.....	142,389	137,308	136,311	131,605	125,670	123,361	112,824
Augmentations, Interest and Misc. Revenue.....	-12,265	-10,388	-5,895	-5,859	-5,839	-5,820	-5,800
Subtotal.....	<u>\$ 536,637</u>	<u>\$ 555,808</u>	<u>\$ 626,915</u>	<u>\$ 684,919</u>	<u>\$ 745,686</u>	<u>\$ 771,427</u>	<u>\$ 775,733</u>
Motor License Fund							
Capital Budget -- Highways.....	\$ 114,705	\$ 110,514	\$ 98,126	\$ 79,840	\$ 59,112	\$ 40,964	\$ 30,702
Capital Budget.....	1,301	1,260	1,327	3,081	3,291	3,206	3,206
Subtotal.....	<u>\$ 116,006</u>	<u>\$ 111,774</u>	<u>\$ 99,453</u>	<u>\$ 82,921</u>	<u>\$ 62,403</u>	<u>\$ 44,170</u>	<u>\$ 33,908</u>
Motor License Fund Restricted Receipts							
Aviation -- Capital Budget.....	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27	\$ 0	\$ 0
Highway Bridge Improvement -- Capital Budget.....	29,745	29,684	28,552	26,340	24,220	23,873	23,426
Subtotal.....	<u>\$ 29,772</u>	<u>\$ 29,711</u>	<u>\$ 28,579</u>	<u>\$ 26,367</u>	<u>\$ 24,247</u>	<u>\$ 23,873</u>	<u>\$ 23,426</u>
TOTAL.....	<u><u>\$ 682,415</u></u>	<u><u>\$ 697,293</u></u>	<u><u>\$ 754,947</u></u>	<u><u>\$ 794,207</u></u>	<u><u>\$ 832,336</u></u>	<u><u>\$ 839,470</u></u>	<u><u>\$ 833,067</u></u>

*Includes bonds issued to refund Capital Budget bonds.

ANNUAL DEBT SERVICE ON OUTSTANDING GENERAL OBLIGATION BONDS Bonds Issued as of December 31, 1998

Fiscal year principal and interest payments on general obligation bonds issued as of the end of calendar year 1998 are shown in the table below. Debt service on outstanding bond anticipation notes is not included. Debt service on projected bond issues is also excluded from this data.

Principal and Interest on Outstanding Bonds Issued as of December 31, 1998



General Obligation Bond Annual Debt Service

(Dollar Amounts in Thousands)

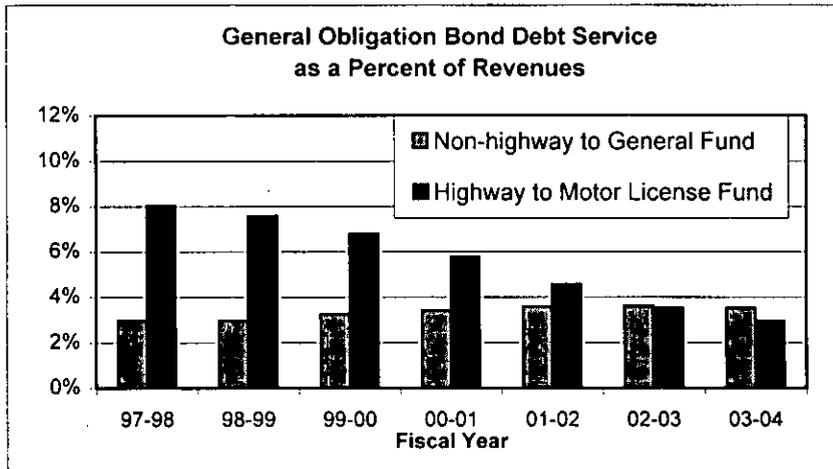
Fiscal Year	Capital Budget (Non-highway)			Capital Budget (Highway)			Voter Approved and Disaster			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
1998-99	\$ 253,138	\$ 177,016	\$ 430,154	\$ 109,878	\$ 30,320	\$ 140,198	\$ 80,659	\$ 54,669	\$ 135,328	\$ 705,680
1999-00	282,288	176,261	458,549	101,657	25,021	126,678	81,155	50,996	132,151	717,378
2000-01	268,012	162,585	430,597	85,443	20,737	106,180	79,640	46,897	126,537	663,314
2001-02	258,091	148,916	407,007	66,288	17,043	83,331	74,406	42,811	117,217	607,555
2002-03	240,546	137,593	378,139	51,018	13,819	64,837	73,448	39,244	112,692	555,668
2003-04	233,669	124,639	358,308	43,054	11,074	54,128	64,607	35,352	99,959	512,395
2004-05	215,032	120,014	335,046	25,474	11,536	37,010	56,570	34,176	90,746	462,802
2005-06	210,771	105,814	316,585	25,686	11,342	37,028	55,583	28,838	84,421	438,034
2006-07	205,611	91,850	297,461	23,516	8,271	31,787	55,992	25,796	81,788	411,036
2007-08	196,483	81,277	277,760	23,759	7,016	30,775	57,966	22,698	80,664	389,199
2008-09	192,754	70,823	263,577	20,830	5,752	26,582	59,411	19,493	78,904	369,063
2009-10	184,153	58,029	242,182	18,225	3,072	21,297	59,997	16,197	76,194	339,673
2010-11	178,072	48,131	226,203	17,341	2,083	19,424	61,132	12,853	73,985	319,612
2011-12	176,068	38,698	214,766	15,798	1,189	16,987	61,928	9,467	71,395	303,148
2012-13	156,425	29,790	186,215	8,875	513	9,388	57,505	6,161	63,666	259,269
2013-14	129,570	21,861	151,431	1,905	107	2,012	34,495	3,408	37,903	191,346
2014-15	111,205	15,044	126,249	0	0	0	18,570	1,804	20,374	146,623
2015-16	81,370	9,635	91,005	0	0	0	11,910	935	12,845	103,850
2016-17	60,330	5,646	65,976	0	0	0	4,070	388	4,458	70,434
2017-18	44,640	2,645	47,285	0	0	0	3,450	184	3,634	50,919
2018-19	25,150	629	25,779	0	0	0	1,450	36	1,486	27,265



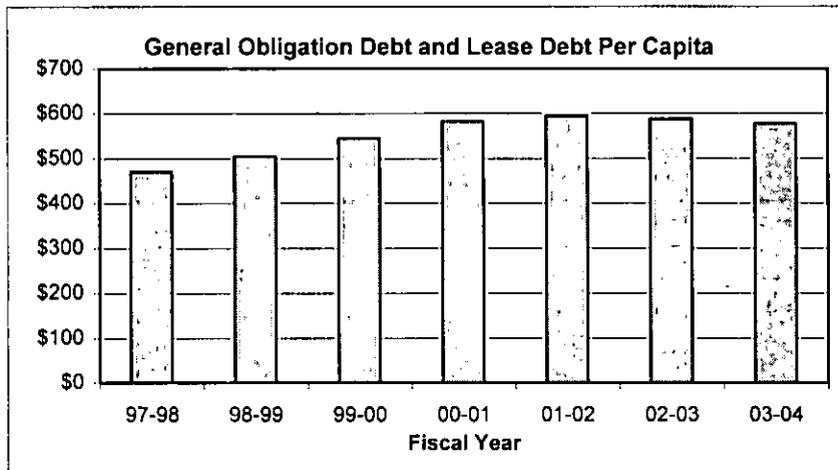
TRENDS IN DEBT SERVICE AND DEBT RATIOS 1997-98 Through 2003-04

The charts portray projections for indicators of the cost of projected annual debt service and the burden of projected debt outstanding. Debt service does not include debt paid from lease rental payments. Outstanding debt includes general obligation debt and debt secured by lease rental payments from various Commonwealth departments.

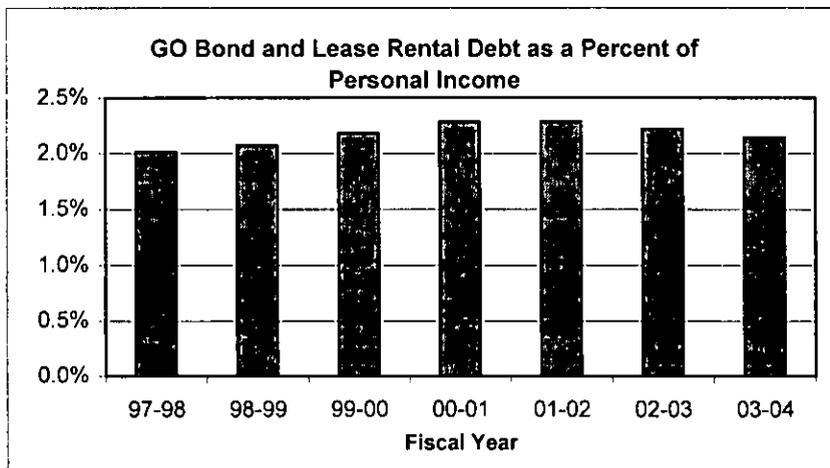
Current revenue financing for highway projects reduces the Motor License Fund debt service ratio.



Investment in economic development and community facilities cause per capita debt to rise.



Rising debt service is due to higher issuance for economic and community development



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.

As of 06/30/98
(in millions)
Bonds and
Notes

<p>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.</p>	\$ 51.4
<p>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.</p>	504.1
<p>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.</p>	1,106.4
<p>Pennsylvania Energy Development Authority Makes or guarantees loans for energy projects including the conversion and technological improvement of energy systems utilizing Pennsylvania coal or renewable energy resources. Debt service on the bonds is paid from the revenues of the authority.</p>	43.1
<p>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.</p>	1,633.8
<p>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.</p>	3,057.6
<p>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.</p>	2,716.4
<p>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.</p>	394.5
<p>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.</p>	196.4
<p>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.</p>	1,127.9
<p>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.</p>	59.5
<p>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.</p>	343.3
<p>TOTAL.....</p>	<p><u>\$ 11,234.4</u></p>





Governor's Executive Budget

*OTHER
SPECIAL FUNDS*



OTHER SPECIAL FUNDS

APPENDIX

This section provides brief descriptive and financial data for Commonwealth funds not given an expanded treatment in other sections of the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the Commonwealth's financial structure as well as give some details of the various funds.

OTHER SPECIAL FUNDS

This appendix contains a brief presentation of all active Commonwealth funds not given an expanded treatment in the other sections of the budget.

In a limited number of cases expenditures from funds presented in this section are included in other presentations.

Generally, the Commonwealth uses a modified accrual basis of accounting for financial reporting where certain revenues are accrued and expenditures are reflected when disbursed or committed. Unless otherwise noted in the fund description, all financial data shown herein is on a cash basis, which means that the beginning and ending balances are cash plus investments. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Disbursements represent checks drawn or transfers made by the Treasury Department and do not include commitments, encumbrances or vouchers payable.

Several funds carrying long-term investments show an adjustment to reflect the current market value of those investments as of June 30, 1998.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

The vast majority of Commonwealth 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 six groups to aid in identifying their purpose. These groups are defined below.

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.

Internal Service Funds — These funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the Commonwealth, or to other governmental units, on a cost-reimbursement basis.

Bond Funds — Bond Funds are used to account for the receipt and disbursement of bond sale proceeds which 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.

Trust and Agency 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.

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.



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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning.....	\$ 13,629	\$ 14,030	\$ 12,555
Receipts:			
Federal Funds.....	\$ 2,130	\$ 2,200	\$ 2,200
Interest.....	755	725	700
Total Receipts.....	<u>2,885</u>	<u>2,925</u>	<u>2,900</u>
Total Funds Available.....	\$ 16,514	\$ 16,955	\$ 15,455
Disbursements:			
Environmental Protection.....	\$ 2,484	\$ 4,400	\$ 4,510
Total Disbursements.....	<u>-2,484</u>	<u>-4,400</u>	<u>-4,510</u>
Cash Balance, Ending.....	\$ 14,030	\$ 12,555	\$ 10,945

Administration Fund

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the State system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from moneys requisitioned from the Commonwealth's account in the Federal Unemployment Trust Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning.....	\$ 1,276	\$ 948	\$ 1,238
Receipts:			
Federal Unemployment Trust Fund.....	\$ 184,457	\$ 185,830	\$ 183,000
Federal — Other Funds.....	7,798	9,900	9,900
Other.....	101	100	100
Total Receipts.....	<u>192,356</u>	<u>195,830</u>	<u>193,000</u>
Total Funds Available.....	\$ 193,632	\$ 196,778	\$ 194,238
Disbursements:			
Labor and Industry.....	\$ 192,684	\$ 195,540	\$ 193,600
Total Disbursements.....	<u>-192,684</u>	<u>-195,540</u>	<u>-193,600</u>
Cash Balance, Ending.....	\$ 948	\$ 1,238	\$ 638

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 Pennsylvania State University). 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 (The Pennsylvania State University) for the benefit of Agriculture and Mechanical Arts.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning.....	\$ 631	\$ 631	\$ 631
Receipts:			
Interest on Securities.....	\$ 34	\$ 34	\$ 34
Total Receipts.....	34	34	34
Total Funds Available.....	\$ 665	\$ 665	\$ 665
Disbursements:			
Treasury.....	\$ 34	\$ 34	\$ 34
Total Disbursements.....	-34	-34	-34
Cash Balance, Ending.....	\$ 631	\$ 631	\$ 631

Agricultural Conservation Easement Purchase Fund

This fund was created by Act 64 of 1988 to implement the referendum approved by the electorate November 8, 1988. That referendum authorized the Commonwealth to incur indebtedness of \$100 million to be used for the purchases of agricultural conservation easements. All bonds authorized have been issued. Act 23 of 1992 increased the annual ceiling on easement purchases from bond sales from \$20 to \$25 million. Act 22 of 1991 provided that two thirty-firsts of the cigarette tax be transferred twice a year into the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 12,451	\$ 1,774	\$ 478
Receipts:			
Sale of Bonds.....	\$ 0	\$ 19,000	\$ 0
Interest on Securities.....	774	400	400
Transfer of Cigarette Tax.....	21,404	21,000	19,800
Transfer from the General Fund.....	4,000	0	0
Sale of State Farms.....	83	1,916	0
Other.....	952	982	300
Total Receipts	27,213	43,298	20,500
Total Funds Available	\$ 39,664	\$ 45,072	\$ 20,978
Disbursements:			
Treasury.....	\$ 1	\$ 2	\$ 0
Agriculture.....	37,889	44,592	20,978
Total Disbursements	-37,890	-44,594	-20,978
Cash Balance, Ending	\$ 1,774	\$ 478	\$ 0

Agricultural Conservation Easement Purchase Sinking Fund

Payment of interest and principal due on outstanding agricultural conservation easement purchase bonds is made from this fund. Revenues of this fund come from the annual appropriation from the General Fund for general obligation debt service.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 6,528	\$ 6,867	\$ 8,233
Accrued Interest on Bonds Sold.....	0	50	0
Total Receipts	<u>6,528</u>	<u>6,917</u>	<u>8,233</u>
Total Funds Available	\$ 6,528	\$ 6,917	\$ 8,233
Disbursements:			
Treasury.....	\$ 6,528	\$ 6,917	\$ 8,233
Total Disbursements	<u>-6,528</u>	<u>-6,917</u>	<u>-8,233</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Anthracite Emergency Bond Fund

This fund was created by Act 171 of 1986 to provide loans for anthracite underground mine operators who cannot obtain necessary bonding or whose bonding has been cancelled due to insolvency or bankruptcy of the original bonding company. Revenues are provided by appropriation from the General Fund, a fee for each ton of coal estimated by certain mine operations and payments made by operators in lieu of a bond. Act 173 of 1992 extended the program to anthracite surface mine operators.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 285	\$ 303	\$ 227
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 0	\$ 0
Operator Payments.....	1	2	2
Production Fees.....	0	5	5
Interest	17	17	17
Total Receipts	<u>18</u>	<u>24</u>	<u>24</u>
Total Funds Available	\$ 303	\$ 327	\$ 251
Disbursements:			
Environmental Protection	\$ 0	\$ 100	\$ 5
Total Disbursements	<u>0</u>	<u>-100</u>	<u>-5</u>
Cash Balance, Ending	<u>\$ 303</u>	<u>\$ 227</u>	<u>\$ 246</u>



Automobile Theft Prevention Trust Fund

The Automobile Theft Prevention Trust Fund was created by Act 171 of 1994. The purpose of the fund is to finance programs in the Commonwealth to prevent, combat and reduce automobile theft and to improve and support automobile theft prosecutions. Revenue to the fund consists of assessments on the insurance companies that conduct business in the Commonwealth; interest earnings; and fines and penalties.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,573	\$ 2,195	\$ 696
Receipts:			
Assessments.....	\$ 4,295	\$ 4,500	\$ 4,500
Interest on Securities.....	176	100	180
Fines and Penalties Income.....	0	1	1
Total Receipts	4,471	4,601	4,681
Total Funds Available	\$ 7,044	\$ 6,796	\$ 5,377
Disbursements:			
Automobile Theft Prevention Authority.....	\$ 4,849	\$ 6,100	\$ 4,901
Total Disbursements	-4,849	-6,100	-4,901
Cash Balance, Ending	\$ 2,195	\$ 696	\$ 476

Ben Franklin / IRC Partnership Fund

This fund supports the activities of the Ben Franklin/IRC Partnership which was created by Act 64 of 1993. The partnership helps small and medium-sized businesses. The Ben Franklin component assists technology, research and start-up companies to do applied research and development projects and to develop and introduce new products and processes. The Industrial Resource Center (IRC) component assists companies in solving problems through the deployment of technologies and with training programs in order to maintain a technically skilled workforce.

The Ben Franklin technology centers and the industrial resource centers receive separate allocations from the State appropriation made to the partnership to support their efforts. In addition, both receive any other moneys, including earmarked Federal funds, credited to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,936	\$ 9,429	\$ 6,399
Receipts:			
Transfer from General Fund.....	\$ 39,700	\$ 40,400	\$ 36,900
Federal Revenue.....	846	1,150	3,000
Interest on Securities.....	509	570	420
Total Receipts	41,055	42,120	40,320
Total Funds Available	\$ 42,991	\$ 51,549	\$ 46,719
Disbursements:			
Community and Economic Development.....	\$ 33,562	\$ 45,150	\$ 40,950
Total Disbursements	-33,562	-45,150	-40,950
Cash Balance, Ending	\$ 9,429	\$ 6,399	\$ 5,769

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 is the primary source of revenue. Funds in the 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 69,291	\$ 165,968	\$ 165,968
Receipts:			
Transfer from Other Funds.....	\$ 675,080	\$ 563,655	\$ 622,092
Rentals - State-Aided and State- Related Institutions.....	2,159	2,159	2,159
Transfer from Inactive Escrow Accounts.....	942	0	0
Interest Subsidy - Higher Education Construction Projects.....	158	157	157
Sale of State Property.....	3	0	0
Refunding Bond Maturing Escrow Funds.....	237,878	210,455	182,765
Accrued Interest on Bonds Sold.....	864	142	0
Interest on Securities.....	3,837	4,240	100
Interest on Deposits.....	37	0	0
Total Receipts	920,958	780,808	807,273
Total Funds Available	\$ 990,249	\$ 946,776	\$ 973,241
Disbursements:			
Treasury.....	\$ 824,281	\$ 780,808	\$ 807,273
Total Disbursements	-824,281	-780,808	-807,273
Cash Balance, Ending	\$ 165,968	\$ 165,968	\$ 165,968



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. Project money that remained after the refunding of the General State Authority was deposited in this fund and used for the maintenance and repair of General State Authority projects.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 81,693	\$ 69,381	\$ 140,506
Receipts:			
Sale of Bonds.....	\$ 403,435	\$ 837,200	\$ 922,000
Interest on Securities.....	6,209	7,000	6,617
Interest on Grant Funds Redevelopment Assistance Projects.....	2	0	0
Other	44,422	35,804	20,000
Total Receipts	454,068	880,004	948,617
Total Funds Available	\$ 535,761	\$ 949,385	\$ 1,089,123
Disbursements:			
Community and Economic Development.....	\$ 34,402	\$ 83,685	\$ 266,065
Environmental Protection.....	3,419	12,603	9,199
General Services.....	305,558	574,087	509,727
Transportation.....	122,543	138,246	143,995
Other.....	458	258	0
Total Disbursements	-466,380	-808,879	-928,986
Cash Balance, Ending	\$ 69,381	\$ 140,506	\$ 160,137

Capitol Restoration Trust Fund

This fund was created in 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 200	\$ 215	\$ 227
Receipts:			
Contributions and Sales.....	\$ 8	\$ 10	\$ 10
Other.....	12	12	13
Total Receipts	20	22	23
Total Funds Available	\$ 220	\$ 237	\$ 250
Disbursements:			
Capitol Preservation Committee.....	\$ 5	\$ 10	\$ 10
Total Disbursements	-5	-10	-10
Cash Balance, Ending	\$ 215	\$ 227	\$ 240

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 Continuation 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. Additional revenue is obtained from a surcharge on certain motor vehicle moving violations.

Act 72 of 1995 authorizes the transfer of funds from this fund to a restricted receipt account for the purpose of paying settlements and court orders arising from legal action related to contracts with Envirotest, Inc. Act 72 prohibits the transfer of funds for Envirotest, Inc. settlements if such transfer would jeopardize timely payment and processing of catastrophic loss benefits. Accordingly, in fiscal year 1997-98 the fund borrowed \$52.5 million from the Workers' Compensation Security Fund in order to make the final payments on the Envirotest, Inc. settlement.

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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 37,049	\$ 63,451	\$ 18,386
Receipts:			
Moving Violation Surcharge.....	\$ 37,361	\$ 37,000	\$ 36,000
Interest	1,101	1,677	575
Workmen's Compensation Security Fund Loan.....	52,541	0	0
Miscellaneous.....	0	13	13
Total Receipts	91,003	38,690	36,588
Total Funds Available	\$ 128,052	\$ 102,141	\$ 54,974
Disbursements:			
Transportation.....	\$ 44,800	\$ 55,150	\$ 0
Insurance.....	15,801	16,605	15,529
Loan Repayment.....	4,000	12,000	12,000
Total Disbursements	-64,601	-83,755	-27,529
Cash Balance, Ending	\$ 63,451	\$ 18,386	\$ 27,445

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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,241	\$ 3,245	\$ 2,825
Receipts:			
Marriage/Divorce Surcharge.....	\$ 1,263	\$ 1,260	\$ 1,260
Miscellaneous Revenue.....	128	120	120
Total Receipts	1,391	1,380	1,380
Total Funds Available	\$ 3,632	\$ 4,625	\$ 4,205
Disbursements:			
Public Welfare.....	\$ 387	\$ 1,800	\$ 1,850
Total Disbursements	-387	-1,800	-1,850
Cash Balance, Ending	\$ 3,245	\$ 2,825	\$ 2,355

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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 29,418	\$ 32,674	\$ 28,285
Receipts:			
Fines and Penalties.....	\$ 1,814	\$ 1,900	\$ 1,900
Fees.....	17,926	17,500	17,500
Interest.....	2,090	2,000	2,000
Other.....	3	5	5
Total Receipts	21,833	21,405	21,405
Total Funds Available	\$ 51,251	\$ 54,079	\$ 49,690
Disbursements:			
Environmental Protection	\$ 18,577	\$ 25,794	\$ 28,738
Total Disbursements	-18,577	-25,794	-28,738
Cash Balance, Ending	\$ 32,674	\$ 28,285	\$ 20,952

Coal and Clay Mine Subsidence Insurance Fund

This fund was created in 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policy-holders for subsidence insurance.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 20,764	\$ 23,406	\$ 24,283
Receipts:			
Premiums Collected.....	\$ 3,849	\$ 4,000	\$ 4,200
Interest.....	1,241	1,200	1,200
Other.....	0	30	30
Total Receipts	5,090	5,230	5,430
Total Funds Available	\$ 25,854	\$ 28,636	\$ 29,713
Disbursements:			
Environmental Protection	\$ 2,448	\$ 4,353	\$ 4,576
Total Disbursements	-2,448	-4,353	-4,576
Cash Balance, Ending	\$ 23,406	\$ 24,283	\$ 25,137

Coal Lands Improvement Fund

This fund was created in 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 473	\$ 1,591	\$ 1,641
Receipts:			
Sale of Land.....	\$ 1,069	\$ 0	\$ 0
Interest	49	50	50
Total Receipts	1,118	50	50
Total Funds Available	\$ 1,591	\$ 1,641	\$ 1,691
Disbursements:			
Environmental Protection	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 1,591	\$ 1,641	\$ 1,691

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 income and 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 52	\$ 55	\$ 58
Receipts:			
Interest on Securities	\$ 3	\$ 3	\$ 3
Total Receipts	3	3	3
Total Funds Available	\$ 55	\$ 58	\$ 61
Disbursements:			
Historical and Museum Commission	\$ 0	\$ 0	\$ 0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 55	\$ 58	\$ 61

Deferred Compensation Fund

Act 81 of 1987 established the Commonwealth Deferred Compensation Program. The program enables Commonwealth employees to defer a portion of their salaries into a retirement savings plan. The State Employees' Retirement System is responsible for administration of the act.

Contributions to the fund began in 1988. The disbursements shown under the Executive Offices are employee contribution funds transferred to one of the investment plan options. Those funds, together with the interest they earn, are available to employees upon retirement.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 831	\$ 1,013	\$ 853
Receipts:			
Employee Contributions	\$ 110,219	\$ 90,402	\$ 100,327
Interest	55	47	36
Total Receipts	110,274	90,449	100,363
Total Funds Available	\$ 111,105	\$ 91,462	\$ 101,216
Disbursements:			
Executive Offices	\$ 75,650	\$ 84,266	\$ 93,297
State Employees' Retirement System	34,442	6,343	7,022
Total Disbursements	-110,092	-90,609	-100,319
Cash Balance, Ending	\$ 1,013	\$ 853	\$ 897



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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 12,472	\$ 13,521	\$ 14,967
Receipts:			
Transfers from Deferred Compensation Fund.....	\$ 315 ^a	\$ 6,766	\$ 2,280
Interest	734	769	805
Total Receipts	1,049	7,535	3,085
Total Funds Available	\$ 13,521	\$ 21,056	\$ 18,052
Disbursements:			
State Employees' Retirement System	\$ 0	\$ 6,089	\$ 1,254
Total Disbursements	0	-6,089	-1,254
Cash Balance, Ending	\$ 13,521	\$ 14,967	\$ 16,798

^a Net result of transfer into fund of \$13,848,000 from Deferred Compensation Fund and transfer to State Employees' Retirement Fund of \$13,533,000.

Disaster Relief Fund

Act 4 of Special Session Two of 1996 authorized a \$110 million bond issue for rehabilitation of areas affected by the blizzard of January 1996 and the resulting flood emergency.

Act 4 of Special Session One of 1972 provided authority for implementation of a \$140 million bond issue for redevelopment of Commonwealth areas affected by the great storms and flood of September 1971 and June 1972; it was amended in 1978 to include the flood of July 1977 and to increase the bond authority to \$190 million. Activity in that program was completed in 1991.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 158	\$ 898	\$ 232
Receipts:			
Sale of Bonds.....	\$ 4,000	\$ 3,500	\$ 1,230
Miscellaneous Revenue.....	22	100	20
Total Receipts	4,022	3,600	1,250
Total Funds Available	\$ 4,180	\$ 4,498	\$ 1,482
Disbursements:			
Treasury.....	\$ 34	\$ 16	\$ 10
Emergency Management Agency.....	3,248	4,250	1,250
Total Disbursements	-3,282	-4,266	-1,260
Cash Balance, Ending	\$ 898	\$ 232	\$ 222

Disaster Relief Redemption Fund

Payment of interest and principal due on bonds issued for the Disaster Relief Fund are made from this fund. An annual appropriation from the General Fund for payment of interest and principal due on general obligation bonds is the primary source of revenue. Funds in excess of the interest and principal due in any one fiscal period may be used for retirement of all or any part of such bonds issued which are still outstanding.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 9	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 7,522	\$ 6,955	\$ 7,120
Interest on Securities.....	4	1	1
Miscellaneous Revenue.....	7	5	5
Total Receipts	<u>7,533</u>	<u>6,961</u>	<u>7,126</u>
Total Funds Available	\$ 7,542	\$ 6,961	\$ 7,126
Disbursements:			
Treasury.....	\$ 7,542	\$ 6,961	\$ 7,126
Total Disbursements	<u>-7,542</u>	<u>-6,961</u>	<u>-7,126</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

DNA Detection Fund

This fund was created by Act 14 of Special Session One of 1995 to account for the collection and processing of Deoxyribonucleic Acid (DNA) samples by State Police from individuals convicted, adjudicated delinquent, or granted accelerated rehabilitation disposition for a felony sex offense or other specified offense. Revenues are derived from mandatory fees which are assessed on sexual offenders. Expenditures are made to establish and maintain a DNA database and DNA bank.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 12	\$ 43	\$ 33
Receipts:			
Assessments.....	\$ 30	\$ 40	\$ 50
Interest.....	1	0	0
Total Receipts	<u>31</u>	<u>40</u>	<u>50</u>
Total Funds Available	\$ 43	\$ 83	\$ 83
Disbursements:			
State Police.....	\$ 0	\$ 50	\$ 82
Total Disbursements	<u>0</u>	<u>-50</u>	<u>-82</u>
Cash Balance, Ending	<u>\$ 43</u>	<u>\$ 33</u>	<u>\$ 1</u>



Emergency Medical Services Operating Fund

The purpose of this fund is 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. The fund was created by The Emergency Medical Services Act, Act 45 of 1985. Act 121 of 1988 added a \$25 fee on persons admitted to programs for Accelerated Rehabilitation Disposition (ARD) related to driving under the influence of drugs and/or alcohol.

In addition to the fees imposed by Act 121, revenue is derived from a \$10 fine levied on all moving traffic violations. 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 8,075	\$ 8,203	\$ 5,229
Receipts:			
Fines	\$ 11,520 ^a	\$ 11,497	\$ 11,500
Interest	451	451	451
Total Receipts	11,971	11,948	11,951
Total Funds Available	\$ 20,046	\$ 20,151	\$ 17,180
Disbursements:			
Health	\$ 11,843	\$ 14,922	\$ 11,951
Public Welfare	0	0	449
Total Disbursements	-11,843	-14,922	-12,400
Cash Balance, Ending	\$ 8,203	\$ 5,229	\$ 4,780

^a Fines include \$23,000 refunded from the prior year.

Employment Fund for the Blind

This fund was created June 13, 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 the Department of Public Welfare.

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 Public Welfare; (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.

It is proposed that the administration of this fund will be transferred from the Department of Public Welfare to the Department of Labor and Industry effective July 1, 1999.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,652	\$ 3,265	\$ 2,715
Receipts:			
Federal Reimbursement - Business			
Enterprise Program	\$ 678	\$ 500	\$ 550
Vending Stand Equipment Rentals	184	250	250
Vending Machine Receipts	301	350	375
Interest	178	125	150
Other	182	30	35
Total Receipts	<u>1,523</u>	<u>1,255</u>	<u>1,360</u>
Total Funds Available	<u>\$ 4,175</u>	<u>\$ 4,520</u>	<u>\$ 4,075</u>
Disbursements:			
Treasury	\$ 0	\$ 5	\$ 5
Labor and Industry	0	0	1,800
Public Welfare	910	1,800	0
Total Disbursements	<u>-910</u>	<u>-1,805</u>	<u>-1,805</u>
Cash Balance, Ending	<u>\$ 3,265</u>	<u>\$ 2,715</u>	<u>\$ 2,270</u>



Energy Conservation and Assistance Fund

This fund was created by Act 122 of 1986 to receive all oil overcharge settlements including the uncommitted balance of settlements received prior to the act. Appropriations are made from the fund for supplemental low-income weatherization and home energy assistance programs, and energy conservation activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 8,381	\$ 5,435	\$ 3,435
Receipts:			
Revenue Estimate.....	\$ 1,280	\$ 100	\$ 0
Other.....	705	400	200
Total Receipts	1,985	500	200
Total Funds Available	\$ 10,366	\$ 5,935	\$ 3,635
Disbursements:			
Environmental Protection.....	\$ 934	\$ 800	\$ 1,000
Public Welfare.....	3,997	1,700	1,600
Total Disbursements	-4,931	-2,500	-2,600
Cash Balance, Ending	\$ 5,435	\$ 3,435	\$ 1,035

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 including the sale of bonds. Activities of the fund included 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 was supported by an appropriation from the General Fund as well as from interest earnings. The fund will terminate when project activity is complete.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 718	\$ 646	\$ 328
Receipts:			
Interest	\$ 39	\$ 32	\$ 22
Total Receipts	39	32	22
Total Funds Available	\$ 757	\$ 678	\$ 350
Disbursements:			
Community and Economic Development.....	\$ 111	\$ 350	\$ 350
Total Disbursements	-111	-350	-350
Cash Balance, Ending	\$ 646	\$ 328	\$ 0

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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 584	\$ 477	\$ 419
Receipts:			
Transfers from Other Funds.....	\$ 274	\$ 373	\$ 350
Interest	35	40	40
Other.....	0	0	0
Total Receipts	<u>309</u>	<u>413</u>	<u>390</u>
Total Funds Available	\$ 893	\$ 890	\$ 809
Disbursements:			
Conservation and Natural Resources.....	\$ 60	\$ 95	\$ 100
Environmental Protection	356	376	519
Total Disbursements	<u>-416</u>	<u>-471</u>	<u>-619</u>
Cash Balance, Ending	\$ 477	\$ 419	\$ 190

Financially Distressed Municipalities 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 4,743	\$ 6,389	\$ 5,764
Receipts:			
Transfer from General Fund.....	\$ 1,000	\$ 1,000	\$ 0
Loan Repayments.....	970	800	800
Interest	352	375	350
Total Receipts	<u>2,322</u>	<u>2,175</u>	<u>1,150</u>
Total Funds Available	\$ 7,065	\$ 8,564	\$ 6,914
Disbursements:			
Community and Economic Development.....	\$ 676	\$ 2,800	\$ 2,800
Total Disbursements	<u>-676</u>	<u>-2,800</u>	<u>-2,800</u>
Cash Balance, Ending	\$ 6,389	\$ 5,764	\$ 4,114



Fire Insurance Tax Fund

The revenue for the Fire Insurance Tax Fund results from the two 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 54,223	\$ 53,367	\$ 53,367
Receipts:			
Tax Payable to Municipalities.....	\$ 53,329	\$ 53,319	\$ 60,000
Total Receipts	53,329	53,319	60,000
Total Funds Available	\$ 107,552	\$ 106,686	\$ 113,367
Disbursements:			
Auditor General.....	\$ 54,185	\$ 53,319	\$ 60,000
Total Disbursements	-54,185	-53,319	-60,000
Cash Balance, Ending	\$ 53,367	\$ 53,367	\$ 53,367

Hazardous Material Response Fund

This fund was created by Act 165 of 1990 to carry out Pennsylvania's responsibilities under Title III of the Federal Superfund Amendments and Reauthorization Act (SARA Title III). Revenue is generated from toxic chemical registration fees and toxic chemical release form fees. Expenditures are for training programs for hazardous material response teams, public education programs, grants to counties for SARA Title III activities and administration of the program including data collection and management.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,711	\$ 1,590	\$ 1,343
Receipts:			
Toxic Chemical Release Form Fee	\$ 931	\$ 800	\$ 800
Chemical Inventory Fee	257	260	260
Interest on Securities	107	110	50
Other.....	104	80	0
Total Receipts	1,399	1,250	1,110
Total Funds Available	\$ 3,110	\$ 2,840	\$ 2,453
Disbursements:			
Emergency Management Agency	\$ 1,344	\$ 1,347	\$ 1,175
Labor and Industry	176	150	60
Total Disbursements	-1,520	-1,497	-1,235
Cash Balance, Ending	\$ 1,590	\$ 1,343	\$ 1,218

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. Revenue is generated from a portion of the Capital Stock and Franchise Tax and a Hazardous Waste Fee as well as money received from parties determined responsible for site contamination. Expenditures are for cleaning up abandoned hazardous waste sites throughout the Commonwealth and restoring the land to productive use. Act 95 of 1992 authorized a transfer of up to \$3 million to the Air Quality Improvement Fund to capitalize a loan program to small businesses. This amount is to be repaid between the 1997-98 and the 2002-03 fiscal years.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 146,761	\$ 155,371	\$ 116,064
Receipts:			
Capital Stock and Franchise Tax.....	\$ 39,219	\$ 42,600	\$ 27,600 ^a
Hazardous Waste Fee.....	2,417	2,417	2,417
Cost Recovery.....	8,827	8,000	7,500
Interest.....	7,789	7,500	7,300
Other.....	100	100	100
Total Receipts	58,352	60,617	44,917
Total Funds Available	\$ 205,113	\$ 215,988	\$ 160,981
Disbursements:			
Environmental Protection.....	\$ 49,742	\$ 99,924	\$ 97,878
Total Disbursements	-49,742	-99,924	-97,878
Cash Balance, Ending	\$ 155,371	\$ 116,064	\$ 63,103

^a Budget reflects .25 mills reduction in the Capital Stock and Franchise Tax rate, effective January 1, 1999.



Higher Education Assistance Fund

Moneys in this fund are currently used primarily for the following purposes: (1) maintenance of a monetary reserve to be used for all expenses associated with loans guaranteed by the Pennsylvania Higher Education Assistance Agency (PHEAA); (2) provision of grants to students; (3) provision of grants to nonsectarian private postsecondary educational institutions; (4) provision of grants to institutions of higher learning for the purpose of helping the institution secure Federal funds to provide direct financial aid to students; (5) provision of funds to institutions for College Work Study Programs; (6) operation of the Informational Technology Education Program and Math and Science Programs; (7) provision for minority students entering graduate professional schools under the Equal Opportunity Professional Education Program; (8) provision for loan forgiveness; and (9) payment of PHEAA administrative costs. Revenue to this fund is derived from appropriations by the General Assembly of General Fund money, gifts, Federal funds interest earnings and servicing fees.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 219,922	\$ 244,366	\$ 222,482
Receipts:			
Transfer from General Fund	\$ 297,916	\$ 314,666	\$ 346,955
Investment Earnings	14,375	10,839	12,016
Federal Revenue	257,803	223,777	247,868
Other	208,838	178,594	186,749
Total Receipts	778,932	727,876	793,588
Total Funds Available	\$ 998,854	\$ 972,242	\$ 1,016,070
Disbursements:			
Treasury	\$ 7	\$ 0	\$ 0
Higher Education Assistance Agency	753,955	749,760	799,807
Net Investment Adjustment	526	0	0
Total Disbursements	754,488	749,760	799,807
Cash Balance, Ending	\$ 244,366	\$ 222,482	\$ 216,263

Highway Beautification Fund

The Highway Beautification Fund was created by Act 5 of Special Session Three of 1966. Activities include control of outdoor advertising and control of junkyards. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported by licenses, fees, fines, penalties and interest.

Each year the Governor issues executive authorizations which establish the amount to be spent by the Department of Transportation in each of the highway beautification activities.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 771	\$ 784	\$ 423
Receipts:			
Licenses and Fees	330	325	314
Other	52	35	40
Total Receipts	382	360	354
Total Funds Available	\$ 1,153	\$ 1,144	\$ 777
Disbursements:			
Treasury	\$ 0	\$ 6	\$ 6
Transportation	369	715	715
Total Disbursements	-369	-721	-721
Cash Balance, Ending	\$ 784	\$ 423	\$ 56

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 moneys arising from the sale of publications of the Pennsylvania Historical and Museum Commission and all moneys received from admission fees or other sales by the commission at the State historical properties and/or museums.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,414	\$ 2,881	\$ 2,581
Receipts:			
Admission Fees.....	\$ 1,005	\$ 1,050	\$ 1,100
Interest	167	150	150
Other.....	4,199	3,500	3,000
Total Receipts	5,371	4,700	4,250
Total Funds Available	\$ 7,785	\$ 7,581	\$ 6,831
Disbursements:			
Historical and Museum Commission.....	\$ 4,904	\$ 5,000	\$ 5,000
Total Disbursements	-4,904	-5,000	-5,000
Cash Balance, Ending	\$ 2,881	\$ 2,581	\$ 1,831

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.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 5	\$ 13,269	\$ 43,249
Receipts:			
Federal Revenue.....	\$ 6,278	\$ 14,580	\$ 14,600
Principal and Interest.....	94	100	100
Miscellaneous.....	268	300	310
Total Receipts	6,640	14,980	15,010
Total Funds Available	\$ 6,645	\$ 28,249	\$ 58,259
Disbursements:			
Community and Economic Development.....	\$ 6,624	\$ 15,000	\$ 15,000
Total Disbursements	6,624	15,000	15,000
Cash Balance, Ending	\$ 13,269	\$ 43,249	\$ 73,259

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 (\$17.5 million per quarter) of Corporate 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:

	1997-98 Actual	(Dollar Amounts in Thousands) 1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 810	\$ 2,316	\$ 2,891
Receipts:			
General Fund Transfer.....	\$ 15,000	\$ 20,000	\$ 0
Interest on Securities.....	377	580	500
Total Receipts	15,377	20,580	500
Total Funds Available	\$ 16,187	\$ 22,896	\$ 3,391
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Community and Economic Development.....	13,871	20,000	3,000
Total Disbursements	-13,871	-20,005	-3,005
Cash Balance, Ending	\$ 2,316	\$ 2,891	\$ 386

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. 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:

	1997-98 Actual	(Dollar Amounts in Thousands) 1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 13,614	\$ 25,854	\$ 25,454
Receipts:			
Hazardous Sites Cleanup Fund.....	\$ 12,000	\$ 12,000	\$ 12,000
Loan Principal and Interest.....	35	200	250
Interest on Securities.....	1,235	1,500	1,500
Total Receipts	\$ 13,270	\$ 13,700	\$ 13,750
Total Funds Available	\$ 26,884	\$ 39,554	\$ 39,204
Disbursements:			
Community and Economic Development.....	\$ 1,030	\$ 14,100	\$ 14,100
Total Disbursements	-1,030	-14,100	-14,100
Cash Balance, Ending	\$ 25,854	\$ 25,454	\$ 25,104



Insurance Fraud Prevention Trust Fund

The Insurance Fraud Prevention Trust Fund was created by Act 166 of 1994. The purpose of the fund is to finance activities in the Commonwealth to prevent, combat and reduce insurance fraud, and to improve and support insurance fraud law enforcement, prosecutions and prevention. The source of funds is assessments on the insurance companies that conduct business in the Commonwealth of Pennsylvania, interest earnings, and fines and penalties.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 5,591	\$ 5,541	\$ 1,836
Receipts:			
Assessments.....	\$ 8,963	\$ 8,250	\$ 8,250
Fines and Penalties Income.....	139	145	145
Interest on Securities.....	350	400	465
Total Receipts	9,452	8,795	8,860
Total Funds Available	\$ 15,043	\$ 14,336	\$ 10,696
Disbursements:			
Insurance Fraud Prevention Authority.....	\$ 9,502	\$ 12,500	\$ 10,259
Total Disbursements	-9,502	-12,500	-10,259
Cash Balance, Ending	\$ 5,541	\$ 1,836	\$ 437

Insurance Liquidation Fund

The Insurance Department is responsible for administering the liquidation of insolvent domestic insurance carriers pursuant to orders of Commonwealth Court under Article V of the Insurance Department Act. This fund is utilized to permit the Treasury Department to invest the assets of insolvent insurance carriers.

These assets are utilized to pay claims and expenses incurred in the administration of domestic insurance carrier insolvencies.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 140,922	\$ 156,065	\$ 155,065
Receipts:			
Carrier Assets.....	\$ 55,499	\$ 20,000	\$ 15,000
Interest	6,472	4,000	3,000
Total Receipts	61,971	24,000	18,000
Total Funds Available	\$ 202,893	\$ 180,065	\$ 173,065
Disbursements:			
Insurance.....	\$ 32,575	\$ 25,000	\$ 50,000
Net Investment Adjustment.....	14,253	0	0
Total Disbursements	-46,828	-25,000	-50,000
Cash Balance, Ending	\$ 156,065	\$ 155,065	\$ 123,065

Keystone Recreation, Park and Conservation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Keystone Recreation, Park and Conservation Fund. The annual appropriation for general obligation debt service from the General Fund provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund	\$ 3,152	\$ 4,435	\$ 4,399
Accrued Interest on Bonds Sold	34	0	0
Total Receipts	<u>3,186</u>	<u>4,435</u>	<u>4,399</u>
Total Funds Available	\$ 3,186	\$ 4,435	\$ 4,399
Disbursements:			
Treasury.....	\$ 3,186	\$ 4,435	\$ 4,399
Total Disbursements	<u>-3,186</u>	<u>-4,435</u>	<u>-4,399</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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 in 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,914	\$ 1,363	\$ 214
Receipts:			
Sale of Refuse Bank Materials.....	\$ 30	\$ 30	\$ 30
Total Receipts	<u>30</u>	<u>30</u>	<u>30</u>
Total Funds Available	\$ 1,944	\$ 1,393	\$ 244
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Environmental Protection	581	1,174	0
Total Disbursements	<u>-581</u>	<u>-1,179</u>	<u>-5</u>
Cash Balance, Ending	<u>\$ 1,363</u>	<u>\$ 214</u>	<u>\$ 239</u>

Land and Water Development Sinking Fund

Payment of interest and principal due on outstanding land and water development bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on invested balances in this fund and in the Land and Water Development Fund provide the revenues to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 36	\$ 10	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 16,217	\$ 14,486	\$ 14,306
Interest on Securities.....	204	201	200
Total Receipts	<u>16,421</u>	<u>14,687</u>	<u>14,506</u>
Total Funds Available	\$ 16,457	\$ 14,697	\$ 14,506
Disbursements:			
Treasury.....	\$ 16,447	\$ 14,697	\$ 14,506
Total Disbursements	<u>-16,447</u>	<u>-14,697</u>	<u>-14,506</u>
Cash Balance, Ending	\$ 10	\$ 0	\$ 0

Liquid Fuels Tax Fund

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of gasoline and diesel fuel taxes is deposited into the fund for semi-annual distribution to county governments and to pay registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a three-year average refund to total refund formula and must be used for highway purposes. Since the majority of counties have direct jurisdiction over a limited number of roads, a large portion of these funds are further allocated by the counties to their political subdivisions.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,431	\$ 4,778	\$ 4,921
Receipts:			
Tax on Gasoline	\$ 22,812	\$ 24,239	\$ 24,349
Tax on Diesel Fuel	6,080	6,343	6,429
Total Receipts	<u>28,892</u>	<u>30,582</u>	<u>30,778</u>
Total Funds Available	\$ 31,323	\$ 35,360	\$ 35,699
Disbursements:			
Treasury.....	\$ 61	\$ 75	\$ 75
Revenue.....	<u>26,484</u>	<u>30,364</u>	<u>30,556</u>
Total Disbursements.....	<u>-26,545</u>	<u>-30,439</u>	<u>-30,631</u>
Cash Balance, Ending.....	\$ 4,778	\$ 4,921	\$ 5,068

Liquor License Fund

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,415	\$ 2,345	\$ 2,382
Receipts:			
Liquor License Fees.....	\$ 4,621	\$ 4,700	\$ 4,700
Beer License Fees.....	113	122	122
Other.....	14	15	15
Total Receipts	<u>4,748</u>	<u>4,837</u>	<u>4,837</u>
Total Funds Available	\$ 7,163	\$ 7,182	\$ 7,219
Disbursements:			
Treasury.....	\$ 44	\$ 10	\$ 10
Liquor Control Board.....	4,774	4,790	4,790
Total Disbursements	<u>-4,818</u>	<u>-4,800</u>	<u>-4,800</u>
Cash Balance, Ending	\$ 2,345	\$ 2,382	\$ 2,419

Local Criminal Justice Fund

This fund was created by Act 71 of 1990 which authorized the issuance of bonds to raise \$200 million for grants to counties for the repair, expansion, construction, rehabilitation and improvement of local correctional facilities or multicounty regional prison facilities or the purchase of electronic monitoring equipment for alternative sentencing programs.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,921	\$ 2,114	\$ 1,860
Receipts:			
Sale of Bonds.....	\$ 5,060	\$ 3,000	\$ 1,000
Interest.....	254	250	80
Total Receipts	<u>5,314</u>	<u>3,250</u>	<u>1,080</u>
Total Funds Available	\$ 8,235	\$ 5,364	\$ 2,940
Disbursements:			
Treasury.....	\$ 5	\$ 4	\$ 1
Corrections.....	6,116	3,500	2,000
Total Disbursements	<u>-6,121</u>	<u>-3,504</u>	<u>-2,001</u>
Cash Balance, Ending	\$ 2,114	\$ 1,860	\$ 939

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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 1	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 15,293	\$ 15,737	\$ 15,962
Accrued Interest on Bonds Sold.....	4	0	0
Interest on Securities.....	1	9	9
Total Receipts	<u>15,298</u>	<u>15,746</u>	<u>15,971</u>
Total Funds Available	\$ 15,298	\$ 15,747	\$ 15,971
Disbursements:			
Treasury.....	\$ 15,297	\$ 15,747	\$ 15,971
Total Disbursements	<u>-15,297</u>	<u>-15,747</u>	<u>-15,971</u>
Cash Balance, Ending	\$ 1	\$ 0	\$ 0

Local Government Capital Project Loan Fund

This fund was created by Act 210 of 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 two percent for periods not to exceed ten years. Revenues received from loan repayment and interest accrual will be returned to the fund on a revolving basis. Act 59 of 1994 extended the program through June 30, 1997. 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,196	\$ 1,601	\$ 1,201
Receipts:			
Loan Repayments.....	\$ 496	\$ 525	\$ 550
Interest	75	75	70
Total Receipts	<u>571</u>	<u>600</u>	<u>620</u>
Total Funds Available	\$ 1,767	\$ 2,201	\$ 1,821
Disbursements:			
Community and Economic Development.....	\$ 166	\$ 1,000	\$ 1,000
Total Disbursements	<u>-166</u>	<u>-1,000</u>	<u>-1,000</u>
Cash Balance, Ending	\$ 1,601	\$ 1,201	\$ 821

Low-Level Waste Fund

This fund was created by Act 12 of 1988 to finance the selection, licensing, regulation and long-term care of a low-level radioactive waste disposal facility. Revenue is derived from fees for licenses and permits to generate, store and transport waste, surcharges on the disposal of waste, and fines and penalties for violating the provisions of the Low-Level Radioactive Waste Disposal Act. The siting process was suspended in 1998 because of a dramatic reduction in the volume of low level radioactive waste being generated in the Appalachian Compact and the availability of out-of-state disposal capacity. Expenditures reflect the continued activity by the department to oversee Pennsylvania's generation of low level waste and to reduce the waste stream.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 3,874	\$ 4,952	\$ 3,632
Receipts:			
Transfer from General Fund.....	\$ 575	\$ 425	\$ 0
Fines and Penalties (a).....	0	0	0
Licenses and Fees (a).....	0	0	0
Surcharges (a).....	0	0	0
Interest	251	85	70
Other.....	1,000	0	0
Total Receipts	<u>1,826</u>	<u>510</u>	<u>70</u>
Total Funds Available	\$ 5,700	\$ 5,462	\$ 3,702
Disbursements:			
Environmental Protection	\$ 748	\$ 1,830	\$ 1,107
Total Disbursements	<u>-748</u>	<u>-1,830</u>	<u>-1,107</u>
Cash Balance, Ending	\$ 4,952	\$ 3,632	\$ 2,595

^a These revenues will not be received until the Commonwealth's low-level disposal site becomes operational.

Machinery and Equipment Loan Fund

This fund was established by Act 120 of 1988 to provide low-interest machinery and equipment financing for Pennsylvania businesses in order to facilitate their growth, competitiveness and value-added capacity.

The fund was initially capitalized by an appropriation from the Pennsylvania Economic Revitalization Fund (PERF); it is now funded from loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 15,151	\$ 16,877	\$ 11,277
Receipts:			
Transfer from General Fund.....	\$ 0	\$ 1,500	\$ 0
Loan Repayments.....	9,490	9,900	11,050
Miscellaneous.....	0	150	100
Interest on Securities.....	920	1,000	1,000
Total Receipts	<u>10,410</u>	<u>12,550</u>	<u>12,150</u>
Total Funds Available	\$ 25,561	\$ 29,427	\$ 23,427
Disbursements:			
Community and Economic Development.....	\$ 8,684	\$ 18,150	\$ 15,150
Total Disbursements	<u>-8,684</u>	<u>-18,150</u>	<u>-15,150</u>
Cash Balance, Ending	\$ 16,877	\$ 11,277	\$ 8,277

Manufacturing Fund

This fund, created in 1915, is a self-sustaining enterprise that provides institutionalized offenders an opportunity for vocational rehabilitation. Receipts are derived from the sale of inmate manufactured goods to government agencies or government-aided organizations. Expenditures are made for the purchase of raw materials, machinery replacement, inmate wages, and other costs related to the sale and manufacture of their products.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,243	\$ 4,510	\$ 5,259
Receipts:			
Sale of Products	\$ 34,292	\$ 35,000	\$ 36,400
Interest	132	125	130
Other	60	60	60
Total Receipts	<u>34,484</u>	<u>35,185</u>	<u>36,590</u>
Total Funds Available	\$ 36,727	\$ 39,695	\$ 41,849
Disbursements:			
Treasury	0	5	5
Corrections	32,217	34,431	37,150
Total Disbursements	<u>-32,217</u>	<u>-34,436</u>	<u>-37,155</u>
Cash Balance, Ending	<u>\$ 4,510</u>	<u>\$ 5,259</u>	<u>\$ 4,694</u>

Medical Professional Liability Catastrophe Loss Fund

The Health Care Services Malpractice Act of 1975 created this fund to make available professional liability insurance at a reasonable cost to health care providers and to establish a system through which injured parties can obtain a prompt determination and adjudication of their claims. Revenue is derived by levying an annual surcharge on health care providers. Act 135 of 1996 amended the original act to increase annually until 2001 the amount of basic insurance coverage maintained by health care providers.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 46,337	\$ 139,812	\$ 163,160
Receipts:			
Surcharges	\$ 369,597	\$ 343,797	\$ 300,000
Income on Investments	6,809	7,324	6,000
Reinsurance Proceeds	31,999	17	0
Other	161	39	20
Total Receipts	<u>408,566</u>	<u>351,177</u>	<u>306,020</u>
Total Funds Available	\$ 454,903	\$ 490,989	\$ 469,180
Disbursements:			
Executive Offices	\$ 315,091	\$ 327,824	\$ 329,618
Treasury	0	5	5
Total Disbursements	<u>-315,091</u>	<u>-327,829</u>	<u>-329,623</u>
Cash Balance, Ending	<u>\$ 139,812</u>	<u>\$ 163,160</u>	<u>\$ 139,557</u>

Minority Business Development Fund

This fund was created in 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 6,360	\$ 7,247	\$ 2,062
Receipts:			
Interest on Securities.....	\$ 388	\$ 350	\$ 150
Loan Principal and Interest Repayments.....	1,998	1,460	1,400
Other.....	6	5	5
Total Receipts	<u>2,392</u>	<u>1,815</u>	<u>1,555</u>
Total Funds Available	\$ 8,752	\$ 9,062	\$ 3,617
Disbursements:			
Community and Economic Development.....	\$ 1,505	\$ 7,000	\$ 2,500
Total Disbursements	<u>-1,505</u>	<u>-7,000</u>	<u>-2,500</u>
Cash Balance, Ending	\$ 7,247	\$ 2,062	\$ 1,117

Motor Vehicle Transaction Recovery Fund

This fund was created by Act 83 of 1990 to provide protection from dealers or other agents who fail to forward fees and taxes pertaining to an application for titling or registration of a vehicle to the Department of Transportation. Revenues to the fund consist of assessments (or reassessments should the balance of the fund fall below \$500,000) on every applicant for motor vehicle dealer registration plates or for the authority to act as agent of the department with respect to vehicle titling and registration.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 847	\$ 897	\$ 892
Receipts:			
Dealer/Agent Assessment.....	\$ 99	\$ 170	\$ 150
Interest	48	40	40
Total Receipts	<u>147</u>	<u>210</u>	<u>190</u>
Total Funds Available	\$ 994	\$ 1,107	\$ 1,082
Disbursements:			
Transportation.....	\$ 97	\$ 215	\$ 200
Total Disbursements	<u>-97</u>	<u>-215</u>	<u>-200</u>
Cash Balance, Ending	\$ 897	\$ 892	\$ 882

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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 125,604	\$ 123,682	\$ 122,884
Receipts:			
Foreign Casualty Insurance Premium Tax.....	\$ 133,511	\$ 118,559	\$ 125,000
Foreign Fire Insurance Premium Tax.....	5,200	11,452	12,500
Interest	3,590	3,590	4,000
Total Receipts	<u>142,301</u>	<u>133,601</u>	<u>141,500</u>
Total Funds Available	\$ 267,905	\$ 257,283	\$ 264,384
Disbursements:			
Auditor General.....	\$ 144,223	\$ 134,399	\$ 140,000
Total Disbursements	<u>-144,223^a</u>	<u>-134,399^b</u>	<u>-140,000^c</u>
Cash Balance, Ending	\$ <u>123,682</u>	\$ <u>122,884</u>	\$ <u>124,384</u>

^a Includes post-retirement payment of \$5,525,551 as authorized by Act 147 of 1988

^b Includes post-retirement payment of \$5,200,260 as authorized by Act 147 of 1988

^c Includes post-retirement payment of \$5,700,000 as authorized by Act 147 of 1988

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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 5,599	\$ 6,191	\$ 6,103
Receipts:			
Licenses and Fees.....	\$ 200	\$ 235	\$ 235
Penalties.....	38	36	36
Interest.....	329	320	320
Collateral.....	79	80	80
Payment in Lieu of Bonds.....	16	31	31
Forfeiture of Bond.....	10	10	10
Total Receipts	<u>672</u>	<u>712</u>	<u>712</u>
Total Funds Available	\$ 6,271	\$ 6,903	\$ 6,815
Disbursements:			
Environmental Protection	\$ 80	\$ 800	\$ 800
Total Disbursements	<u>-80</u>	<u>-800</u>	<u>-800</u>
Cash Balance, Ending	\$ 6,191	\$ 6,103	\$ 6,015

Nursing Home Loan Sinking Fund

Maturing principal on nursing home loan bonds and all interest payable on such bonds is paid from this fund. The annual appropriation from the General Fund for general obligation debt service and annual earnings received from investment of balances in this fund and in the Nursing Home Loan Development Fund provide income to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 6,000	\$ 75	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 1,704	\$ 1,792	\$ 643
Interest on Securities.....	290	1	0
Total Receipts	<u>1,994</u>	<u>1,793</u>	<u>643</u>
Total Funds Available	\$ 7,994	\$ 1,868	\$ 643
Disbursements:			
Treasury.....	\$ 7,919 ^a	\$ 1,868	\$ 643
Total Disbursements	<u>-7,919</u>	<u>-1,868</u>	<u>-643</u>
Cash Balance, Ending	\$ 75	\$ 0	\$ 0

^a includes transfer to capital debt funds

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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,068	\$ 2,507	\$ 1,707
Receipts:			
Transfer from General Fund	\$ 750	\$ 3,280	\$ 3,280
Interest	134	200	200
Total Receipts	884	3,480	3,480
Total Funds Available	\$ 2,952	\$ 5,987	\$ 5,187
Disbursements:			
Agriculture	\$ 35	\$ 3,280	\$ 3,280
Environmental Protection	410	1,000	1,000
Total Disbursements	-445	-4,280	-4,280
Cash Balance, Ending	\$ 2,507	\$ 1,707	\$ 907

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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 5,807	\$ 4,763	\$ 2,953
Receipts:			
Rents and Royalties	\$ 2,997	\$ 3,000	\$ 3,000
Interest	278	275	275
Other	43	50	50
Total Receipts	3,318	3,325	3,325
Total Funds Available	\$ 9,125	\$ 8,088	\$ 6,278
Disbursements:			
Treasury	\$ 0	\$ 35	\$ 0
Conservation and Natural Resources	4,362	5,100	3,510
Total Disbursements	-4,362	-5,135	-3,510
Cash Balance, Ending	\$ 4,763	\$ 2,953	\$ 2,768

Organ Donation Awareness Trust Fund

The fund was established by Act 102 of 1994 and derives revenue from private contributions, voluntary deductions from State Individual Income Tax returns from the years 1997 through 2000, and a voluntary \$1 add-on to the fee for an original or renewal driver's license or 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 799	\$ 844	\$ 325
Receipts:			
Driver's License Applicants.....	\$ 202	\$ 227	\$ 255
State Income Tax Contribution.....	37	28	0
Vehicle Registration.....	0	0	425
Interest on Securities.....	45	45	45
Total Receipts	284	300	725
Total Funds Available	\$ 1,083	\$ 1,144	\$ 1,050
Disbursements:			
Education.....	\$ 0	\$ 188	\$ 49
Health.....	9	631	179
Transportation.....	230	0	539
Total Disbursements	-239	-819	-767
Cash Balance, Ending	\$ 844	\$ 325	\$ 283



Pennsylvania Economic Revitalization Fund

The Pennsylvania Economic Revitalization Fund (PERF) was created by Act 104 of 1984 as a three-year \$190 million program financed through a bond issue authorized by the electorate. The fund was formally established in the 1988-89 budget as an economic development fund. The fund was eliminated in 1995-96; final project activity is expected to be completed in 1998-99. 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,641	\$ 1,964	\$ 0
Receipts:			
Interest on Securities.....	\$ 150	\$ 108	\$ 0
Other.....	-315 ^a	-224	0
Total Receipts.....	-165	-116	0
Total Funds available	<u>\$ 2,476</u>	<u>\$ 1,848</u>	<u>0</u>
Disbursements:			
Agriculture.....	\$ 0	\$ 495	\$ 0
Community and Economic Development.....	-17 ^b	0	0
Conservation and Natural Resources.....	529	1,353	0
Total Disbursements.....	-512	-1,848	0
Cash Balance, Ending	<u>\$ 1,964</u>	<u>\$ 0</u>	<u>\$ 0</u>

^a Net of transfers to the General Fund and the Pennsylvania Economic Revitalization Sinking Fund.

^b Refund of expenditure.

Pennsylvania Economic Revitalization Sinking Fund

Payment of interest and principal due on outstanding economic revitalization bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest earned in this fund and interest earned in and transferred from the Pennsylvania Economic Revitalization Fund provide revenues to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 153	\$ 151	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 6,669	\$ 6,393	\$ 6,491
Interest on Securities.....	151	2	2
Miscellaneous Revenue.....	0	108	0
Total Receipts	6,820	6,503	6,493
Total Funds Available	<u>\$ 6,973</u>	<u>\$ 6,654</u>	<u>\$ 6,493</u>
Disbursements:			
Treasury.....	\$ 6,822	\$ 6,654	\$ 6,493
Total Disbursements	-6,822	-6,654	-6,493
Cash Balance, Ending	<u>\$ 151</u>	<u>\$ 0</u>	<u>\$ 0</u>

Pennsylvania Historical and Museum Commission Trust Fund

This fund was created by Act 113 of 1931 and 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 119	\$ 126	\$ 92
Receipts:			
Interest	\$ 7	\$ 6	\$ 3
Total Receipts	7	6	3
Total Funds Available	\$ 126	\$ 132	\$ 95
Disbursements:			
Historical and Museum Commission.....	\$ 0	\$ 40	\$ 40
Total Disbursements	0	-40	-40
Cash Balance, Ending	\$ 126	\$ 92	\$ 55

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. Receipts are derived from Federal funds and the transfer of required matching State funds from the Motor License Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 19,619
Receipts:			
Transfer from Motor License Fund.....	\$ 0	\$ 4,562	\$ 1,000
Federal Funds.....	0	15,847	250
Loan Repayments.....	0	1,160	1,250
Interest	0	50	100
Total Receipts	0	21,619	2,600
Total Funds Available	\$ 0	\$ 21,619	\$ 22,219
Disbursements:			
Transportation.....	0	2,000	11,080
Total Disbursements	0	-2,000	-11,080
Cash Balance, Ending	\$ 0	\$ 19,619	\$ 11,139

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 under Act 15 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.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 762,500	\$ 907,807	\$ 1,067,981
Receipts:			
Contributions.....	\$ 31,269	\$ 34,397	\$ 37,836
Net Investment Adjustment.....	49,134	80,046	88,051
Interest	94,394	76,219	83,841
Total Receipts	<u>174,797</u>	<u>190,662</u>	<u>209,728</u>
Total Funds Available	\$ 937,297	\$ 1,098,469	\$ 1,277,709
Disbursements:			
Municipal Retirement Board.....	\$ 29,490	\$ 30,488	\$ 33,537
Total Disbursements	<u>-29,490</u>	<u>-30,488</u>	<u>-33,537</u>
Cash Balance, Ending	\$ 907,807	\$ 1,067,981	\$ 1,244,172

Pennsylvania Veterans Memorial Trust Fund

Act 60 of 1988 established this fund to be administered by the Pennsylvania Veterans Memorial Commission whose purpose it is to erect on the grounds of Fort Indiantown Gap a monument to Pennsylvania Veterans who served in armed conflicts in which the United States was a participant. Funds are solicited from public and private sources.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 556	\$ 724	\$ 1,258
Receipts:			
Public/Private Donations.....	\$ 140	\$ 950	\$ 1,820
Interest	36	84	154
Total Receipts	<u>176</u>	<u>1,034</u>	<u>1,974</u>
Total Funds Available	\$ 732	\$ 1,758	\$ 3,232
Disbursements:			
Military and Veterans Affairs.....	\$ 8	\$ 500	\$ 3,000
Total Disbursements	<u>-8</u>	<u>-500</u>	<u>-3,000</u>
Cash Balance, Ending	\$ 724	\$ 1,258	\$ 232

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, 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 28,459	\$ 25,956	\$ 25,556
Receipts:			
Referendum Bonds.....	\$ 15,155	\$ 20,000	\$ 20,000
Water Facilities Bonds.....	0	1,500	0
Interest.....	1,514	2,000	2,000
Total Receipts	16,669	23,500	22,000
Total Funds Available	\$ 45,128	\$ 49,456	\$ 47,556
Disbursements:			
Treasury.....	\$ 12	\$ 0	\$ 0
Infrastructure Investment Authority:			
PENNVEST Fund	1,531	2,000	2,000
PENNVEST Drinking Water Revolving Fund.....	5,673	5,900	12,000
PENNVEST Water Pollution Control Revolving Fund.....	11,005	13,000	13,000
PENNVEST Revolving Fund.....	951	3,000	3,000
PENNVEST Non-Revolving Equity Fund.....	0	0	0
Total Disbursements	-19,172	-23,900	-30,000
Cash Balance, Ending	\$ 25,956	\$ 25,556	\$ 17,556

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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 223	\$ 273
Receipts:			
Bond Authorization Fund.....	\$ 5,673	\$ 5,900	\$ 12,000
Federal Funds.....	1,599	16,234	42,300
Interest and Principal Payments.....	47	0	0
Investment Income.....	1	50	50
Total Receipts	7,320	22,184	54,350
Total Funds Available	\$ 7,320	\$ 22,407	\$ 54,623
Disbursements:			
Infrastructure Investment Authority.....	\$ 7,097	\$ 22,134	\$ 54,300
Total Disbursements	-7,097	-22,134	-54,300
Cash Balance, Ending	\$ 223	\$ 273	\$ 323

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.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 53,041	\$ 56,226	\$ 65,762
Receipts:			
Revolving Loan Payments.....	\$ 43,406	\$ 50,000	\$ 45,000
Bond Authorization Fund.....	1,531	2,000	2,000
Interest.....	1,836	2,000	2,000
Other.....	262	0	0
Total Receipts	47,035	54,000	49,000
Total Funds Available	\$ 100,076	\$ 110,226	\$ 114,762
Disbursements:			
Executive Offices.....	\$ 0	\$ 0	\$ 0
Infrastructure Investment Authority:			
Loans and Grants.....	2,038	2,125	2,125
Administration.....	2,315	2,829	2,683
Revenue Bond Transfer.....	39,497	39,510	42,010
Total Disbursements	-43,850	-44,464	-46,818
Cash Balance, Ending	\$ 56,226	\$ 65,762	\$ 67,944

PENNVEST Non-Revolving Equity Fund

This fund created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. These funds are used for non-revolving loans authorized by the act. These non-revolving loans can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST Redemption Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 4	\$ 4	\$ 4
Receipts:			
Bond Authorization Fund.....	\$ 0	\$ 0	\$ 0
Total Receipts	0	0	0
Total Funds Available	\$ 4	\$ 4	\$ 4
Disbursements:			
Infrastructure Investment Authority:			
Drinking Water Projects.....	\$ 0	\$ 0	\$ 0
Sewer Projects.....	0	0	0
Stormwater Projects.....	0	0	0
Total Disbursements	0	0	0
Cash Balance, Ending	\$ 4	\$ 4	\$ 4



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 which are used to pay debt service on general obligation bonds issued for PENNVEST.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 25,913	\$ 27,002	\$ 27,398
Interest on Securities.....	11	12	10
Accrued Interest on Bonds Sold	32	24	0
Non-Revolving Loan Repayments.....	2,291	2,272	2,252
Total Receipts	28,247	29,310	29,660
Total Funds Available	\$ 28,247	\$ 29,310	\$ 29,660
Disbursements:			
Treasury.....	\$ 28,247	\$ 29,310	\$ 29,660
Total Disbursements	-28,247	-29,310	-29,660
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

PENNVEST Revolving Fund

This fund, created under the authority of Act 16 of 1988, receives moneys transferred from the PENNVEST Bond Authorization Fund. Funds are used for revolving loans which can be made to public or private entities for drinking water supply or sewer projects. Repayments of loans and interest are deposited in the PENNVEST fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 20	\$ 22	\$ 23
Receipts:			
Bond Authorization Fund.....	\$ 951	\$ 3,000	\$ 3,000
Interest.....	1	1	1
Total Receipts	952	3,001	3,001
Total Funds Available	\$ 972	\$ 3,023	\$ 3,024
Disbursements:			
Infrastructure Investment Authority:			
Drinking Water Projects.....	\$ 370	\$ 1,000	\$ 1,000
Sewer Projects.....	490	1,500	1,000
Storm Water Projects.....	90	500	750
Total Disbursements	-950	-3,000	-2,750
Cash Balance, Ending	\$ 22	\$ 23	\$ 274

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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 60,688	\$ 73,557	\$ 80,557
Receipts:			
Bond Authorization Fund.....	\$ 11,005	\$ 13,000	\$ 13,000
Federal Funds.....	53,726	66,044	65,000
Interest and Principal Payments.....	22,792	32,000	32,000
Investment Income.....	3,966	7,000	2,000
Total Receipts	91,489	118,044	112,000
Total Funds Available	\$ 152,177	\$ 191,601	\$ 192,557
Disbursements:			
Infrastructure Investment Authority.....	\$ 78,620	\$ 111,044	\$ 101,534
Total Disbursements	-78,620	-111,044	-101,534
Cash Balance, Ending	\$ 73,557	\$ 80,557	\$ 91,023

Pharmaceutical Assistance Fund (Contract for the Elderly)

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. Beginning in March 1996, pharmaceutical product claims for the Chronic Renal Disease Program are processed through the PACE fund. Beginning in February 1997, pharmaceutical product claims for the Special Pharmaceutical Benefits Program are also processed through the PACE fund. Funds not expended in the fiscal year in which they are appropriated are available for use in the following fiscal year. For additional information on the programs refer to the Department of Aging, the Department of Health, and the Department of Public Welfare's program descriptions.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 5,745	\$ 43,577	\$ 48,139
Receipts:			
Transfer from Lottery Fund.....	\$ 252,000 ^a	\$ 260,000	\$ 260,000
Interest on Securities.....	1,149	1,000	1,000
Chronic Renal Disease.....	5,429	7,000	6,000
AIDS Special Pharmaceutical Services.....	14,617	19,699	25,494
Total Receipts	273,195	287,699	292,494
Total Funds Available	\$ 278,940	\$ 331,276	\$ 340,633
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Health.....	5,547 ^b	7,000 ^b	6,000 ^b
Public Welfare.....	13,730 ^b	19,699 ^b	25,494 ^b
Aging.....	216,086	256,433	259,250
Total Disbursements	-235,363	-283,137	-290,749
Cash Balance, Ending	\$ 43,577	\$ 48,139	\$ 49,884

^a Actually appropriated as \$237,000,000 but includes \$15,000,000 from 1996-97, transferred after June 30, 1997.

^b Expenditures from restricted revenue accounts in the Department of Aging.



Philadelphia Regional Port Authority Fund

This authority was created by Act 50 of 1989 to acquire and operate the port facilities of the former Philadelphia Port Corporation. This fund handles payroll of the authority via transfer of funds by the authority from its private bank accounts. The authority is authorized to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 381	\$ 517	\$ 542
Receipts:			
Transfer from Philadelphia Regional Port Authority	\$ 4,247	\$ 4,000	\$ 4,000
Interest on Securities	23	25	25
Other	0	0	0
Total Receipts	4,270	4,025	4,025
Total Funds Available	\$ 4,651	\$ 4,542	\$ 4,567
Disbursements:			
Philadelphia Regional Port Operations	\$ 4,134	\$ 4,000	\$ 4,000
Total Disbursements	-4,134	-4,000	-4,000
Cash Balance, Ending	\$ 517	\$ 542	\$ 567

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.

Grants to the commission to support its operations, and previously to Allegheny County for port-related improvements, are deposited into this fund, along with interest earnings from deposited funds. The commission also has the authority to issue bonds to finance port improvements and may pledge its revenues to pay off such bonds.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 557	\$ 716	\$ 696
Receipts:			
Transfer from General Fund	\$ 600	\$ 920	\$ 600
Other	19	20	20
Interest	34	40	45
Total Receipts	653	980	665
Total Funds Available	\$ 1,210	\$ 1,696	\$ 1,361
Disbursements:			
Port of Pittsburgh Commission	\$ 494	\$ 1,000	\$ 600
Total Disbursements	-494	-1,000	-600
Cash Balance, Ending	\$ 716	\$ 696	\$ 761

Project 70 Land Acquisition Sinking Fund

Payment of interest and principal on Project 70 bonds is made from this fund. Annual appropriations by the General Assembly for payment of interest and principal on Project 70 bonds together with monies reimbursed to the Commonwealth by political subdivisions for inappropriate use of Project 70 funds are credited to this fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 778	\$ 783	\$ 785
Total Receipts	778	783	785
Total Funds Available	\$ 778	\$ 783	\$ 785
Disbursements:			
Treasury.....	\$ 778	\$ 783	\$ 785
Total Disbursements	-778	-783	-785
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Public Transportation Assistance Fund

This fund was established by Act 26 of 1991 to help provide for the capital, asset maintenance and certain other transportation needs of the Commonwealth's transit entities. Revenue is derived from a fee on the sale of new tires, a percent of the total sales and use tax receipts, a motor vehicle lease tax, a motor vehicle rental fee and an additional utility realty tax.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 7,512	\$ 15,539	\$ 9,492
Receipts:			
Utility Realty Tax.....	\$ 34,401	\$ 49,800	\$ 58,400
Other Taxes and Fees.....	129,420	137,095	141,983
Interest	913	900	900
Total Receipts	164,734	187,795	201,283
Total Funds Available	\$ 172,246	\$ 203,334	\$ 210,775
Disbursements:			
Transportation:			
Administration.....	\$ 4,699	\$ 4,785	\$ 4,803
Grants.....	152,008	189,057	196,480
Total Disbursements	-156,707	-193,842	-201,283
Cash Balance, Ending	\$ 15,539	\$ 9,492	\$ 9,492



Purchasing Fund

Created in 1933, this fund finances the purchase of materials, supplies and equipment by the Department of General Services for use by other departments, boards and commissions. Also 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 14,756	\$ 232,264	\$ 505,867
Receipts:			
Reimbursements to General Services.....	\$ 109,507	\$ 127,783	\$ 182,343
Other.....	940	817	970
Total Receipts	<u>110,447</u>	<u>128,600</u>	<u>183,313</u>
Total Funds Available	<u>\$ 125,203</u>	<u>\$ 360,864</u>	<u>\$ 689,180</u>
Disbursements:			
Executive Offices.....	\$ 0	\$ 500	\$ 2,000
Treasury.....	0	5	5
General Services.....	107,061	144,498	176,522
Total Disbursements	<u>-107,061</u>	<u>-145,003</u>	<u>-178,527</u>
Cash Balance, Ending	<u>\$ 232,264</u>	<u>\$ 505,867</u>	<u>\$ 867,707</u>

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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,026	\$ 1,028	\$ 830
Receipts:			
Additional License Fees.....	\$ 38	\$ 42	\$ 42
Interest	58	60	60
Total Receipts	<u>96</u>	<u>102</u>	<u>102</u>
Total Funds Available	<u>\$ 1,122</u>	<u>\$ 1,130</u>	<u>\$ 932</u>
Disbursements:			
State.....	\$ 94	\$ 300	\$ 300
Total Disbursements	<u>-94</u>	<u>-300</u>	<u>-300</u>
Cash Balance, Ending	<u>\$ 1,028</u>	<u>\$ 830</u>	<u>\$ 632</u>

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 101, as amended by Act 125 of 1998, finances the cleanup of illegally deposited waste on State forest and State park lands.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 117,992	\$ 136,709	\$ 103,382
Receipts:			
Recycling Fees.....	\$ 40,617	\$ 41,000	\$ 41,000
Fines and Penalties.....	94	10	10
Interest	7,253	7,500	6,800
Environmental Technology Loan Repayments and Interest.....	1,794	1,500	1,500
Total Receipts	49,758	50,010	49,310
Total Funds Available	\$ 167,750	\$ 186,719	\$ 152,692
Disbursements:			
Environmental Protection	\$ 31,041	\$ 83,337	\$ 79,599
Total Disbursements	-31,041	-83,337	-79,599
Cash Balance, Ending	\$ 136,709	\$ 103,382	\$ 73,093

Refund of Axle Tax Fund

The Refund of Axle Tax Fund was established as an escrow account to facilitate the receipt of tax refunds plus interest and the disbursement of axle tax refunds, legal fees and other litigation expenses. This was the result of a conditional Commonwealth Court order issued on May 8, 1992.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 620	\$ 0	\$ 0
Receipts:			
Interest.....	\$ 22	\$ 0	\$ 0
Total Receipts	22	0	0
Total Funds Available	\$ 642	\$ 0	\$ 0
Disbursements:			
Transportation.....	642	0	0
Total Disbursements	-642	0	0
Cash Balance, Ending	\$ 0	\$ 0	\$ 0



Regional Facility Siting Fund

This fund was created by Act 107 of 1990 to provide for establishing a low-level radioactive waste disposal facility in Pennsylvania. The act requires certain generators of low-level radioactive waste, primarily nuclear power generating facilities, to make advance payments of disposal fees which will fund the initial costs of designing and constructing the new disposal facility.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,750	\$ 0	\$ 0
Receipts:			
Contributions.....	\$ 0	\$ 0	\$ 0
Interest.....	48	0	0
Total Receipts	48	0	0
Total Funds Available	\$ 1,798	\$ 0	\$ 0
Disbursements:			
Environmental Protection	1,798	0	0
Total Disbursements	-1,798	0	0
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Rehabilitation Center Fund

This fund was created May 13, 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 provided 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 3,843	\$ 3,816	\$ 2,701
Receipts:			
Client Fees	\$ 13,957	\$ 13,650	\$ 14,150
Interest.....	295	270	250
Other.....	1,255	1,300	1,400
Total Receipts	15,507	15,220	15,800
Total Funds Available	\$ 19,350	\$ 19,036	\$ 18,501
Disbursements:			
Labor and Industry.....	\$ 15,534	\$ 16,335	\$ 16,035
Total Disbursements	-15,534	-16,335	-16,035
Cash Balance, Ending	<u>\$ 3,816</u>	<u>\$ 2,701</u>	<u>\$ 2,466</u>

Remining Environmental Enhancement Fund

Act 173 of 1992 authorized this fund to operate an incentive program to encourage remining and reclamation, including the designation of areas suitable for reclamation by remining, and to assist operators applying for a remining permit. The transfer of up to \$1 million is authorized from a combination of the Surface Mining Conservation and Reclamation Fund, the Clean Water Fund, the Coal Refuse Disposal Fund, and the Bituminous Mine Subsidence and Land Conservation Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 253	\$ 195	\$ 215
Receipts:			
Transfers from Other Funds	\$ 0	\$ 1,000	\$ 1,000
Interest	14	20	20
Total Receipts	14	1,020	1,020
Total Funds Available	\$ 267	\$ 1,215	\$ 1,235
Disbursements:			
Environmental Protection	\$ 72	\$ 1,000	\$ 1,000
Total Disbursements	-72	-1,000	-1,000
Cash Balance, Ending	\$ 195	\$ 215	\$ 235

Remining Financial Assurance Fund

Act 173 of 1992 authorized this fund to assist mine operators who qualify to purchase reclamation bonds or make payment in lieu of reclamation bonds. Revenues are the transfer of up to \$5 million from the Land and Water Development Fund and from in lieu of bond premium payments. Interest earnings are deposited in the Land and Water Development Sinking Fund. Expenditures from this fund occur only when mine operators default.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,019	\$ 2,053	\$ 3,237
Receipts:			
Transfer from Land and Water Development Fund.....	\$ 0	\$ 1,174	\$ 0
Premium Payments.....	34	35	35
Total Receipts	34	1,209	35
Total Funds Available	\$ 2,053	\$ 3,262	\$ 3,272
Disbursements:			
Environmental Protection	\$ 0	\$ 25	\$ 25
Total Disbursements	0	-25	-25
Cash Balance, Ending	\$ 2,053	\$ 3,237	\$ 3,247

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.

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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 38,978,355	\$ 44,456,991	\$ 48,017,209
Receipts:			
Transfer from General Fund —			
Employer Contribution (non-school entities).....	\$ 3,351	\$ 2,583	\$ 2,099
Transfers from State Retirement System.....	5,529	5,000	5,000
Contributions of School Employees.....	473,390	489,007	512,040
Returned Contributions of			
School Employees.....	11,954	13,000	13,000
Contributions of Employers.....	747,051	576,383	441,213
Interest on Securities.....	2,741,359	1,491,000	1,618,000
Net Investment Adjustment.....	3,469,976	3,056,745	3,284,860
Directed Commissions.....	17,848	6,700	6,700
Other.....	19,303	20,000	20,000
Total Receipts	7,489,761	5,660,418	5,902,912
Total Funds Available	\$ 46,468,116	\$ 50,117,409	\$ 53,920,121
Disbursements:			
Treasury	\$ 26	\$ 200	\$ 200
Public School Employees'			
Retirement Board	2,011,099	2,100,000	2,200,000
Total Disbursements	-2,011,125	-2,100,200	-2,200,200
Cash Balance, Ending	\$ 44,456,991	\$ 48,017,209	\$ 51,719,921



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 members of self-insurance pooling arrangements under the Workers' Compensation Act. The fund is maintained by assessments on self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 3,939	\$ 4,133	\$ 4,258
Receipts:			
Assessments.....	\$ 76	\$ 100	\$ 100
Interest.....	228	125	125
Total Receipts	304	225	225
Total Funds Available	\$ 4,243	\$ 4,358	\$ 4,483
Disbursements:			
Labor and Industry.....	\$ 110	\$ 100	\$ 100
Total Disbursements	-110	-100	-100
Cash Balance, Ending	\$ 4,133	\$ 4,258	\$ 4,383

Small Business First Fund

Act 67 of 1996 created the Small Business First Fund. The fund replaces 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 receives annual transfers from the Minority Business Development Fund which are combined with this fund to facilitate its programs for small businesses.

This program provides low-interest loans for small businesses of 100 employees or less. Eligible projects include land and building acquisition and construction; machinery and equipment purchases; working capital; compliance with environmental regulations and municipal or commercial recycling. In addition, companies eligible to participate in this program are those impacted by the reduction in defense-related activities and those involved in exports, advanced technology, and the hospitality industry.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 18,540	\$ 14,286	\$ 13,740
Receipts:			
Transfer from the General Fund.....	\$ 4,000	\$ 2,000	\$ 10,000
Transfer from Air Quality Improvement Fund.....	466	0	0
Transfer from Storage Tank Loan Fund.....	306	0	0
Transfer from PA Capital Loan Fund.....	12,497	0	0
Transfer from Hazardous Sites Cleanup Fund.....	0	7,500	2,000
Transfer from PA Minority Business Development Fund.....	0	5,000	1,000
Federal Revenue: Defense Conversion.....	254	500	500
Loan Repayments.....	1,203	16,100	18,550
Interest on Securities.....	849	875	750
Miscellaneous.....	2	4	4
Total Receipts	19,577	31,979	32,804
Total Funds Available	\$ 38,117	\$ 46,265	\$ 46,544
Disbursements:			
Community and Economic Development.....	\$ 23,831	\$ 32,525	\$ 41,425
Total Disbursements	-23,831	-32,525	-41,425
Cash Balance, Ending	\$ 14,286	\$ 13,740	\$ 5,119

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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,160	\$ 1,391	\$ 981
Receipts:			
Interest	\$ 97	\$ 90	\$ 75
Total Receipts	<u>97</u>	<u>90</u>	<u>75</u>
Total Funds Available	\$ 2,257	\$ 1,481	\$ 1,056
Disbursements:			
Environmental Protection	\$ 866	\$ 500	\$ 500
Total Disbursements	<u>-866</u>	<u>-500</u>	<u>-500</u>
Cash Balance, Ending	\$ 1,391	\$ 981	\$ 556

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. All moneys in excess of \$200,000 in the fund, less encumbrances for litigation, at the end of the fiscal year are transferred to the Unemployment Compensation Contribution Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 200	\$ 200	\$ 200
Receipts:			
Interest and Penalties	\$ 5,287	\$ 5,200	\$ 5,200
Other	148	148	148
Total Receipts	<u>5,435</u>	<u>5,348</u>	<u>5,348</u>
Total Funds Available	\$ 5,635	\$ 5,548	\$ 5,548
Disbursements:			
Labor and Industry	\$ 5,435	\$ 5,348	\$ 5,348
Total Disbursements	<u>-5,435</u>	<u>-5,348</u>	<u>-5,348</u>
Cash Balance, Ending	\$ 200	\$ 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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 26	\$ 25	\$ 25
Receipts:			
Miscellaneous.....	\$ 1	\$ 2	\$ 2
Total Receipts	1	2	2
Total Funds Available	\$ 27	\$ 27	\$ 27
Disbursements:			
Treasury.....	\$ 2	\$ 2	\$ 2
Total Disbursements	-2	-2	-2
Cash Balance, Ending	\$ 25	\$ 25	\$ 25

State Employees' Retirement Fund

This fund was created in 1924 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 employe 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 is overseen by the State Employees' Retirement Board.

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 as of June 30.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 20,062,390	\$ 23,143,497	\$ 22,881,391
Receipts:			
Contributions of Employes.....	\$ 214,619	\$ 226,000	\$ 237,000
State Share Contribution.....	322,904	286,000	260,000
Income from Securities.....	581,000	562,000	605,000
Net Investment Adjustment.....	3,024,343	-193,000	2,102,000
Directed Commissions.....	1,777	600	650
Other.....	136	0	0
Total Receipts	4,144,779	881,600	3,204,650
Total Funds Available	\$ 24,207,169	\$ 24,025,097	\$ 26,086,041
Disbursements:			
Treasury.....	\$ 27	\$ 150	\$ 150
State Employees' Retirement System.....	1,063,645	1,143,556	1,224,000
Total Disbursements	-1,063,672	-1,143,706	-1,224,150
Cash Balance, Ending	\$ 23,143,497	\$ 22,881,391	\$ 24,861,891

State Insurance Fund

Created in 1915, this fund finances expenditures related to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the Commonwealth which 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 \$1,000,000.

Unencumbered amounts in the fund in excess of \$3 million on December 31st of each year are transferred to the General Fund. This fund satisfies the requirements of the Federal Government for the Disaster Insurance Program.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 12,924	\$ 11,004	\$ 7,364
Receipts:			
Recovered Damages.....	\$ 7	\$ 0	\$ 0
Interest	1,750	1,461	1,250
Total Receipts	<u>1,757</u>	<u>1,461</u>	<u>1,250</u>
Total Funds Available	\$ 14,681	\$ 12,465	\$ 8,614
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
General Services.....	3,677	5,096	3,550
Total Disbursements	<u>-3,677</u>	<u>-5,101</u>	<u>-3,555</u>
Cash Balance, Ending	<u>\$ 11,004</u>	<u>\$ 7,364</u>	<u>\$ 5,059</u>

State Restaurant Fund

This fund was created in 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 only restaurant operated within this fund is in the Main Capitol Building and revenue is derived from the profits earned from that operation. During fiscal year 1986-87 the Main Capitol Restaurant was enlarged and relocated into the Capitol Addition.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,211	\$ 1,267	\$ 1,336
Receipts:			
Revenue from Operations.....	\$ 87	\$ 84	\$ 90
Other.....	70	67	75
Total Receipts	<u>157</u>	<u>151</u>	<u>165</u>
Total Funds Available	\$ 1,368	\$ 1,418	\$ 1,501
Disbursements:			
General Services.....	\$ 101	\$ 82	\$ 120
Total Disbursements	<u>-101</u>	<u>-82</u>	<u>-120</u>
Cash Balance, Ending	<u>\$ 1,267</u>	<u>\$ 1,336</u>	<u>\$ 1,381</u>

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.

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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 440	\$ 461	\$ 480
Receipts:			
Sinking Fund Interest.....	\$ 8	\$ 8	\$ 8
Treasury Interest.....	23	21	21
Other.....	8	0	0
Total Receipts	39	29	29
Total Funds Available	\$ 479	\$ 490	\$ 509
Disbursements:			
Education.....	\$ 18	\$ 10	\$ 10
Total Disbursements	-18	-10	-10
Cash Balance, Ending	\$ 461	\$ 480	\$ 499

State Stores Fund

The State Stores Fund serves as the general operating fund for the Liquor Control Board. The Pennsylvania State Police receive funds for the enforcement of the Liquor Code. The Department of Health receives funds for alcohol abuse programs. This fund receives revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered, and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Store System and enforcement of the Liquor Code. Any surplus is transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 61,651	\$ 77,821	\$ 82,535
Receipts:			
Fees.....	\$ 9,777	\$ 9,365	\$ 9,365
Fines and Penalties.....	1,124	1,152	1,204
Sale of Goods.....	959,887	990,188	1,008,506
Recovered Losses and Damages.....	6,865	5,872	6,369
General Fund Loans.....	66,000	66,000	66,000
Other.....	6,273	6,268	5,002
Total Receipts	<u>1,049,926</u>	<u>1,078,845</u>	<u>1,096,446</u>
Total Funds Available	\$ 1,111,577	\$ 1,156,666	\$ 1,178,981
Disbursements:			
Treasury.....	\$ 0	\$ 30	\$ 30
Health.....	1,117	1,478	1,317
Liquor Control Board	1,017,974 ^a	1,056,353 ^a	1,079,826 ^a
State Police.....	14,665	16,270	16,881
Total Disbursements	<u>-1,033,756</u>	<u>-1,074,131</u>	<u>-1,098,054</u>
Cash Balance, Ending	\$ 77,821	\$ 82,535	\$ 80,927

^a Includes repayment of General Fund Loans.

State Treasury Armory Fund

Created in accordance with Act 126 of 1979 and Act 92 of 1975, this fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds shall be 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,442	\$ 1,421	\$ 1,153
Receipts:			
Armory Rentals.....	\$ 256	\$ 280	\$ 270
Interest	84	80	79
Sale of Armories and Land.....	86	280	85
Total Receipts	<u>426</u>	<u>640</u>	<u>434</u>
Total Funds Available	\$ 1,868	\$ 2,061	\$ 1,587
Disbursements:			
Military and Veterans Affairs.....	\$ 447	\$ 908	\$ 850
Total Disbursements	<u>-447</u>	<u>-908</u>	<u>-850</u>
Cash Balance, Ending	\$ 1,421	\$ 1,153	\$ 737



State Workmen's Insurance Fund

The State Workmen's Insurance Fund (SWIF) was created by Act 338 of 1915, and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workers' compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classification and rates promulgated by rating bureaus authorized by the State Insurance Commissioner. Premium rates are established by them based on the history of accidents by industry. Administrative costs are paid from the fund including expenses related to Insurance Department and Auditor General examinations.

Act 60 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 to the Tax Stabilization Reserve funds and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the reserve funds and 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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 1,510,085	\$ 1,498,748	\$ 1,392,528
Receipts:			
Premiums.....	\$ 93,881	\$ 74,440	\$ 62,300
Interest.....	114,493	91,740	83,680
Other.....	7,551	7,275	6,950
Net Investment Adjustment.....	76,916	0	0
Total Receipts	292,841	173,455	152,930
Total Funds Available	\$ 1,802,926	\$ 1,672,203	\$ 1,545,458
Disbursements:			
Treasury.....	\$ 8	\$ 150	\$ 150
Labor and Industry.....	302,052	277,940	251,670
Premium Tax Payment to the General Fund.....	2,118	1,585	1,305
Total Disbursements	-304,178	-279,675	-253,125
Cash Balance, Ending	\$ 1,498,748	\$ 1,392,528	\$ 1,292,333

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 recover costs. Expenditures include the remediation of leaking underground storage tanks.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 18,836	\$ 21,003	\$ 20,674
Receipts:			
Registration Fees.....	\$ 4,438	\$ 4,417	\$ 4,417
Federal Funds - EPA.....	2,021	2,721	2,721
Fines and Penalties.....	115	98	98
Interest.....	1,132	1,078	1,100
Other.....	850	0	0
Total Receipts	<u>8,556</u>	<u>8,314</u>	<u>8,336</u>
Total Funds Available	\$ 27,392	\$ 29,317	\$ 29,010
Disbursements:			
Environmental Protection.....	\$ 6,389	\$ 8,643	\$ 8,595
Total Disbursements	<u>-6,389</u>	<u>-8,643</u>	<u>-8,595</u>
Cash Balance, Ending	\$ 21,003	\$ 20,674	\$ 20,415

Supplemental State Assistance Fund

This fund was created by Act 205 of 1984, the Municipal Pension Plan Funding Standard and Recovery Act, and is administered by the Auditor General. Under Act 205, the Auditor General is responsible for the administration of the Supplemental State Assistance Program, including, disbursement of funds to distressed municipal pension systems based on certifications provided by the Public Employe Retirement Commission (PERC). Since 1989-90, revenues for the Supplemental State Assistance Fund have been provided entirely by General Fund appropriations which cannot exceed \$35 million annually. This program and fund shall terminate in 2003 or in the first year in which there are no municipalities entitled to receive Supplemental State Assistance, whichever occurs earlier.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 40	\$ 42	\$ 44
Receipts:			
General Fund Appropriation.....	\$ 549	\$ 708	\$ 113
Interest	2	2	0
Total Receipts	<u>551</u>	<u>710</u>	<u>113</u>
Total Funds Available	\$ 591	\$ 752	\$ 157
Disbursements:			
Auditor General.....	\$ 549	\$ 708	\$ 113
Total Disbursements	<u>-549</u>	<u>-708</u>	<u>-113</u>
Cash Balance, Ending	\$ 42	\$ 44	\$ 44



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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 32,443	\$ 31,281	\$ 32,183
Receipts:			
Licenses and Fees.....	\$ 158	\$ 206	\$ 206
Fines and Penalties.....	195	200	200
Interest.....	1,700	1,940	1,940
Forfeiture of Bonds.....	841	750	750
Trust Account Collateral.....	570	400	400
Other.....	-212 ^a	500	500
Total Receipts	3,252	3,496	3,496
Total Funds Available	\$ 35,695	\$ 34,777	\$ 35,679
Disbursements:			
Treasury.....	\$ 0	\$ 5	\$ 5
Environmental Protection.....	4,414	2,589	2,790
Total Disbursements	-4,414	-2,594	-2,795
Cash Balance, Ending	\$ 31,281	\$ 32,183	\$ 32,884

^a Includes \$2,484,000 refund of bankruptcy monies transferred back to the Federal government.

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 period in which the notes were issued. Interest earned in the fund is periodically transferred to the General Fund.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 307	\$ 1,279	\$ 1,279
Receipts:			
Transfer from General Fund.....	\$ 231,352	\$ 0	\$ 754,541
Interest on Securities.....	972	0	800
Total Receipts	232,324	0	755,341
Total Funds Available	\$ 232,631	\$ 1,279	\$ 756,620
Disbursements:			
Treasury.....	\$ 231,352	\$ 0	\$ 756,620
Total Disbursements	-231,352	0	-756,620
Cash Balance, Ending	\$ 1,279	\$ 1,279	\$ 0



Tax Stabilization Reserve Fund

Created in July 1985 by Act 32, this 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 also minimizes the need to increase taxes to balance the budget of the Commonwealth during periods of economic distress. Revenue is provided through an annual transfer of fifteen percent of the General Fund's fiscal year ending surplus, transfers of surplus funds from the State Workman's Insurance Fund and from appropriations by the General Assembly. Appropriations out of the fund require approval by two-thirds of the members of the General Assembly.

Act 68 of 1990 provides for the transfer of money from the State Workmen's Insurance Fund (SWIF). 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 surplus exists, the SWIF Board based on recommendations of an advisory council may recommend distribution of any surplus to the Tax Stabilization Reserve Fund and/or as refunds to current or former policyholders. The funds recommended by the board to be transferred to the fund and those refunded to policyholders must be approved and appropriated by the General Assembly.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 222,578	\$ 431,381	\$ 687,860
Receipts:			
Transfer from General Fund.....	\$ 188,708	\$ 223,302	\$ 54,163
Interest	20,095	33,177	40,162
Total Receipts	208,803	256,479	94,325
Total Funds Available	\$ 431,381	\$ 687,860	\$ 782,185
Cash Balance, Ending	\$ 431,381	\$ 687,860	\$ 782,185

Tuition Payment Fund

This fund was created by Act 11 of 1992 to implement the Tuition Account Program, providing for the advance purchase of tuition credits for the beneficiary attending any participating institution. The program is administered by the Tuition Account Bureau within the Treasury Department with oversight by the Tuition Account Program Advisory Board. Revenue is derived primarily from application fees, tuition unit purchases and investment income. Fund expenditures consist mainly of payments to participating institutions for the dollar value of the tuition purchased and administrative costs.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 78,579	\$ 102,812	\$ 123,315
Receipts:			
Application Fees	\$ 189	\$ 150	\$ 150
Tuition Purchases.....	17,441	17,500	17,500
Investment Earnings.....	8,770	8,769	9,000
Other.....	294	300	300
Total Receipts	26,694	26,719	26,950
Total Funds Available	\$ 105,273	\$ 129,531	\$ 150,265
Disbursements:			
Treasury.....	\$ 2,461	\$ 6,216	\$ 6,816
Total Disbursements	-2,461	-6,216	-6,816
Cash Balance, Ending	\$ 102,812	\$ 123,315	\$ 143,449



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 32 authorized the board to establish a fee to be paid by underground storage tank owners and operators to fund the program. Tank owners currently pay a gallon fee of 0.5 cents. Owners of diesel fuel and heating oil tanks pay a capacity fee of 10 cents in lieu of the gallon fee. As of January 1, 1999 the gallon fee dropped to 0.1 cents per gallon and the tank capacity fee to 2 cents per gallon. 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. The Department of Community and Economic Development administers the loan program as part of its business loans program. The act also establishes an environmental cleanup program and a pollution prevention program which are administered by the Department of Environmental Protection.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 311,488	\$ 359,271	\$ 311,140
Receipts:			
Gallon Fee	\$ 37,921	\$ 25,000	\$ 5,000
Tank Capacity Fee	10,720	7,500	1,000
Investment Income	18,967	13,000	13,000
Miscellaneous	10	10	10
Total Receipts	<u>67,618</u>	<u>45,510</u>	<u>19,010</u>
Total Funds Available	\$ 379,106	\$ 404,781	\$ 330,150
Disbursements:			
Community and Economic Development.....	\$ 16	\$ 50,750	\$ 20,757
Environmental Protection.....	0	7,450	6,500
Insurance.....	19,819	35,441	44,985
Total Disbursements	<u>-19,835</u>	<u>-93,641</u>	<u>-72,242</u>
Cash Balance, Ending	\$ 359,271	\$ 311,140	\$ 257,908



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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 4,976	\$ 0
Receipts:			
Regular Unemployment Compensation Program.....	\$ 1,401,102	\$ 1,520,400	\$ 1,602,700
Other.....	64,786	79,000	78,000
Total Receipts	1,465,888	1,599,400	1,680,700
Total Funds Available	\$ 1,465,888	\$ 1,604,376	\$ 1,680,700
Disbursements:			
Labor and Industry.....	\$ 1,460,912	\$ 1,604,376	\$ 1,680,700
Total Disbursements	-1,460,912	-1,604,376	-1,680,700
Cash Balance, Ending	\$ 4,976	\$ 0	\$ 0

Unemployment Compensation Contribution Fund

This fund was created to hold moneys collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, the moneys are transferred to the United States Treasury for credit to the Commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 3	\$ 275	\$ 0
Receipts:			
Contributions of Employers and Employees.....	\$ 1,492,406	\$ 1,449,000	\$ 1,434,000
Other.....	257	140	140
Total Receipts	1,492,663	1,449,140	1,434,140
Total Funds Available	\$ 1,492,666	\$ 1,449,415	\$ 1,434,140
Disbursements:			
Labor and Industry.....	\$ 1,492,391	\$ 1,449,415	\$ 1,434,140
Total Disbursements	-1,492,391	-1,449,415	-1,434,140
Cash Balance, Ending	\$ 275	\$ 0	\$ 0

Vietnam Conflict Veterans' Compensation Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Vietnam Conflict Veterans' Compensation Fund. The annual appropriation from the General Fund for general obligation debt service provides the revenues to this fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 2,581	\$ 2,592	\$ 2,602
Total Receipts	<u>2,581</u>	<u>2,592</u>	<u>2,602</u>
Total Funds Available	<u>\$ 2,581</u>	<u>\$ 2,592</u>	<u>\$ 2,602</u>
Disbursements:			
Treasury.....	\$ 2,581	\$ 2,592	\$ 2,602
Total Disbursements	<u>-2,581</u>	<u>-2,592</u>	<u>-2,602</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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 achievement of 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, General Fund appropriation of matching funds and interest earned.

This presentation reflects the transfer of services for the blind or visually impaired from the Department of Public Welfare to the Office of Vocational Rehabilitation.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 5,938	\$ 7,527	\$ 6,987
Receipts:			
Transfer from General Fund.....	\$ 33,170	\$ 35,029	\$ 35,058
Federal Vocational Rehabilitation Funds.....	112,182	121,827	123,505
Vending Machine Proceeds.....	1,648	1,616	1,631
Other.....	379	615	600
Total Receipts	<u>147,379</u>	<u>159,087</u>	<u>160,794</u>
Total Funds Available	<u>\$ 153,317</u>	<u>\$ 166,614</u>	<u>\$ 167,781</u>
Disbursements:			
Labor and Industry.....	\$ 145,790	\$ 159,627	\$ 161,039
Total Disbursements	<u>- 145,790</u>	<u>- 159,627</u>	<u>- 161,039</u>
Cash Balance, Ending	<u>\$ 7,527</u>	<u>\$ 6,987</u>	<u>\$ 6,742</u>



Volunteer Companies Loan Fund

On November 4, 1975, a voter referendum authorized a \$10 million bond issue to be used for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. A second voter referendum in November 1981 authorized an additional \$15 million to be added to the fund. In November 1990 a third voter referendum was approved which provided an additional \$25 million for the fund, bringing the total amount authorized to \$50 million. 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 Pennsylvania Emergency Management Agency. Revenue to the fund in addition to bond proceeds includes loan repayments and interest earnings.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1996-97 Actual	1997-98 Available	1998-99 Estimated
Cash Balance, Beginning	\$ 5,508	\$ 4,097	\$ 15,639
Receipts:			
Loan Principal Repayments.....	\$ 10,740	\$ 11,555	\$ 11,319
Transfer from the General Fund.....	0	20,000	0
Loan Interest.....	1,544	1,650	2,024
Interest on Securities.....	276	352	300
Bond Proceeds.....	6,063		0
Total Receipts	<u>18,623</u>	<u>33,557</u>	<u>13,643</u>
Total Funds Available	<u>\$ 24,131</u>	<u>\$ 37,654</u>	<u>\$ 29,282</u>
Disbursements:			
Treasury.....	\$ 10	\$ 15	\$ 0
Emergency Management Agency.....	20,024	22,000	21,000
Total Disbursements	<u>-20,034</u>	<u>-22,015</u>	<u>-21,000</u>
Cash Balance, Ending	<u>\$ 4,097</u>	<u>\$ 15,639</u>	<u>\$ 8,282</u>

Volunteer Companies Loan Sinking Fund

Monies in this fund are used to redeem or pay interest on bonds issued for the Volunteer Companies Loan Fund. The annual appropriation from the the General Fund for general obligation debt service provides revenues to the fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 5,000	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 2,507	\$ 3,184	\$ 3,094
Accrued Interest on Bonds Sold.....	12	3	0
Interest on Securities.....	241	1	0
Total Receipts	<u>2,760</u>	<u>3,188</u>	<u>3,094</u>
Total Funds Available	<u>\$ 7,760</u>	<u>\$ 3,188</u>	<u>\$ 3,094</u>
Disbursements:			
Treasury.....	\$ 7,760 ^a	\$ 3,188	\$ 3,094
Total Disbursements	<u>-7,760</u>	<u>-3,188</u>	<u>-3,094</u>
Cash Balance, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

^a includes transfer to capital debt funds

Water Facilities Loan Fund

This fund was created by Act 167 of 1982 to implement the water project loan referendum approved by the electorate on November 3, 1981. That referendum authorized the Commonwealth to incur an indebtedness of \$300 million for use as loans to repair, construct, reconstruct, rehabilitate, extend and improve water supply systems or to repair, reconstruct or rehabilitate flood control facilities, dams and port facilities. Act 16 of 1988 transferred the functions of the Water Facilities Loan Board to the Pennsylvania Infrastructure Investment Authority as part of the PENNVEST program.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 0	\$ 0	\$ 0
Receipts:			
Sale of Bonds.....	\$ 0	\$ 1,500	\$ 0
Total Receipts	0	1,500	0
Total Funds Available	\$ 0	\$ 1,500	\$ 0
Disbursements:			
Infrastructure Investment Authority.....	\$ 0	\$ 1,500	\$ 0
Total Disbursements	0	-1,500	0
Cash Balance, Ending	\$ 0	\$ 0	\$ 0

Water Facilities Loan Redemption Fund

Payment of interest and principal due on outstanding water facilities loan bonds is made from this fund. The annual appropriation from the General Fund for general obligation debt service and interest on monies in the Water Facilities Loan Fund provide revenues to this fund.

Statement of Cash Receipts and Disbursements:

	(Dollar Amounts in Thousands)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 4,008	\$ 0	\$ 0
Receipts:			
Transfer from General Fund.....	\$ 13,568	\$ 12,981	\$ 12,998
Interest on Securities.....	193	1	0
Total Receipts	13,761	12,982	12,998
Total Funds Available	\$ 17,769	\$ 12,982	\$ 12,998
Disbursements:			
Treasury.....	\$ 17,769	\$ 12,982	\$ 12,998
Total Disbursements	-17,769	-12,982	-12,998
Cash Balance, Ending	\$ 0	\$ 0	\$ 0



Wild Resources 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)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 2,400	\$ 1,423	\$ 573
Receipts:			
Tax Check-Offs.....	\$ 309	\$ 310	\$ 310
Interest on Securities.....	115	100	100
Voluntary Donations.....	20	20	20
License Plate Sales.....	67	200	300
Other.....	16	20	20
Total Receipts	527	650	750
Total Funds Available	\$ 2,927	\$ 2,073	\$ 1,323
Disbursements:			
Conservation and Natural Resources.....	\$ 1,504	\$ 1,500	\$ 1,104
Total Disbursements	-1,504	-1,500	-1,104
Cash Balance, Ending	\$ 1,423	\$ 573	\$ 219

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.

Statement of Cash Receipts and Disbursements:

(Dollar Amounts in Thousands)

	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 46,208	\$ 44,848	\$ 49,686
Receipts:			
Assessments.....	\$ 42,889	\$ 43,261	\$ 44,343
Other.....	2,877	5,000	4,000
Total Receipts	45,766	48,261	48,343
Total Funds Available	\$ 91,974	\$ 93,109	\$ 98,029
Disbursements:			
Community and Economic Development.....	\$ 116	\$ 162	\$ 176
Labor and Industry.....	47,010	43,261	45,086
Total Disbursements	-47,126	-43,423	-45,262
Cash Balance, Ending	\$ 44,848	\$ 49,686	\$ 52,767

Workmen's 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.

Act 70 of 1990 authorized the Catastrophic Loss Benefits Continuation Fund to borrow funds from the Workers' Compensation Security Fund. The first loan was fully repaid in 1994-95. A \$52.5 million loan was made in 1997-98 and is scheduled to be repaid over five years.

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 are credited to the fund. Such payments are required only if the balance (less known liabilities) of the fund is determined to be less than five percent of the loss reserves of all such companies for payments of benefits under the Workers' Compensation Law.

As of June 30, 1998, the indemnity reserves were \$290.0 million, the medical reserves were \$76.1 million, and the legal reserves were \$1.9 million. The June 30, 1998 fund balance less reserves was \$131 million, while five percent of the outstanding workers' compensation carrier reserves were \$366.3 million. A one percent assessment was made for 1997-98 and a one percent assessment is anticipated again in 1998-99.

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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 474,033	\$ 446,348	\$ 493,064
Receipts:			
Premium Contributions	\$ 20,727	\$ 33,000	\$ 33,000
Interest on Securities	26,634	30,000	30,000
Loan Repayment	4,000	12,000	12,000
Net Investment Adjustment	-803	465	465
Total Receipts	50,558	75,465	75,465
Total Funds Available	\$ 524,591	\$ 521,813	\$ 568,529
Disbursements:			
Treasury	\$ 2	\$ 5	\$ 5
Insurance	25,700	28,744	28,744
Loan to Catastrophic Loss Benefits Continuation Fund	52,541	0	0
Total Disbursements	-78,243	-28,749	-28,749
Cash Balance, Ending	\$ 446,348	\$ 493,064	\$ 539,780



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)		
	1997-98 Actual	1998-99 Available	1999-00 Estimated
Cash Balance, Beginning	\$ 4	\$ 411	\$ 411
Receipts:			
Assessments.....	\$ 37,526	\$ 30,400	\$ 30,550
Other.....	823	800	850
Total Receipts	<u>38,349</u>	<u>31,200</u>	<u>31,400</u>
Total Funds Available	\$ 38,353	\$ 31,611	\$ 31,811
Disbursements:			
Labor and Industry.....	\$ 37,942	\$ 31,200	\$ 31,400
Total Disbursements	<u>-37,942</u>	<u>-31,200</u>	<u>-31,400</u>
Cash Balance, Ending	\$ 411	\$ 411	\$ 411



Governor's Executive Budget

COMPLEMENT



COMPLEMENT

This section provides a summary by department of salaried complement on a full-time equivalent (FTE) basis for the actual, available and budget years. It also provides a brief description by agency and appropriation of the changes recommended in the budget.



**SALARIED COMPLEMENT BY AGENCY
FULL-TIME EQUIVALENT (FTE)**

The following is a summary, by department, of the 1997-98 actual, 1998-99 available and 1999-00 recommended salaried complement levels on a full-time equivalent (FTE) basis.

<i>Department</i>	<i>1997-98 Actual</i>	<i>1998-99 Available</i>	<i>1999-00 Budget</i>	<i>Difference Budget vs. Available</i>
Governor's Office	91	91	91	
Executive Offices	2,257	2,256	2,249	-7
Lieutenant Governor's Office	16	16	17	1
Aging	105	107	107	
Agriculture	626	630	632	2
Banking	118	124	124	
Civil Service Commission	181	181	181	
Community and Economic Development	318	332	336	4
Conservation and Natural Resources	1,305	1,311	1,312	1
Corrections	13,000	13,234	13,931	697
Education	1,089	1,121	823	-298
Emergency Management Agency	129	136	140	4
Environmental Hearing Board	22	22	22	
Environmental Protection	3,098	3,123	3,137	14
Fish & Boat Commission	440	440	440	
Game Commission	731	731	731	
General Services	1,310	1,321	1,320	-1
Health	1,338	1,345	1,387	42
Historical and Museum Commission	330	333	342	9
Infrastructure Investment Authority	22	23	23	
Insurance	288	298	302	4
Labor and Industry	6,317	6,242	6,401	159
Liquor Control Board	2,969	2,969	2,969	
Military and Veterans Affairs	1,950	2,046	2,076	30
Milk Marketing Board	36	36	36	
Municipal Employees' Retirement	22	22	22	
Probation and Parole Board	908	948	957	9
Public Television Network	20	20	20	
Public Utility Commission	547	538	538	
Public Welfare	24,809	23,732	22,110	-1,622
Revenue	2,279	2,279	2,279	
School Employees' Retirement System	290	290	290	
Securities Commission	72	74	78	4
State	387	404	404	
State Employees' Retirement System	190	191	191	
State Police	5,540	5,604	5,653	49
Tax Equalization Board	22	22	22	
Transportation	12,348	12,348	12,351	3
TOTAL ALL DEPARTMENTS	85,520	84,940	84,044	-896



Summary of 1999-00 Complement Changes

The following is a detailed listing, by department, of the recommended salaried complement changes (on a full-time equivalent basis) for 1999-00. 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:		
Commonwealth Technology Services.....	137	TRANSFERRED: Commonwealth Technology Center functions from Office of Administration (137).
Rural Development Council.....	1	NEW: Enhancement of program function (1).
Office of Administration.....	-145	ELIMINATED: Data Center Consolidation (-9). TRANSFERRED: Group Life Insurance function from General Services (1); Commonwealth Technology Center functions to Commonwealth Technology Services (-137).
Human Relations Commission.....	2	NEW: Reduction of discriminatory practices (2).
Victims of Juvenile Crime.....	4	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (4).
General Fund Total	<u>-1</u>	
Federal Funds:		
HUD - Special Project Grant (F).....	<u>-6</u>	ELIMINATION: Less Federal funding for special projects (-6).
DEPARTMENT TOTAL	<u><u>-7</u></u>	
LT. GOVERNOR'S OFFICE		
General Fund:		
PRIME Implementation.....	<u>1</u>	NEW: Enhancing the PRIME process (1).
AGRICULTURE		
General Fund:		
General Government Operations.....	<u>2</u>	NEW: Strengthening of the agricultural economy (2).
COMMUNITY AND ECONOMIC DEVELOPMENT		
General Fund:		
General Government Operations.....	<u>4</u>	NEW: PRR-Vision for 21st Century (2); PRR-Positioning to Compete in the 21st Century Digital Economy (2).
CONSERVATION AND NATURAL RESOURCES		
General Fund:		
State Forest Operations.....	<u>2</u>	NEW: Wild Plant program (1). TRANSFERRED: From Wild Resources Conservation Fund (1).
Wild Resources Conservation Fund:		
General Operations.....	<u>-1</u>	TRANSFERRED: To State Forest Operations (-1).
DEPARTMENT TOTAL	<u><u>1</u></u>	
CORRECTIONS		
General Fund:		
State Correctional Institutions.....	356	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation: SCI Pine Grove opening (187), Quehanna Boot Camp expansion (48), cellblock for female offenders (41), and restricted housing for female offenders (13). Overtime reduction (67).
Inmate Education.....	319	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation: Expansion of Inmate Education (30). TRANSFERRED: Inmate education program from Department of Education (289).
General Fund Total	<u>675</u>	

Summary of 1999-00 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
Federal Funds:		
Correctional Education (F).....	14	TRANSFERRED: From Department of Education (14).
Manufacturing Fund:		
General Operations.....	8	NEW: Expand correctional industries program (8).
DEPARTMENT TOTAL	697	
EDUCATION		
General Fund:		
General Government Operations.....	3	NEW: To implement the Read to Succeed program (3).
Thaddeus Stevens College of Technology.....	2	NEW: To establish an Applied Science in Information Technology Associate Degree Program (2).
Correctional Institutions - Education.....	-289	TRANSFERRED: To Department of Corrections (-289).
General Fund Total	-284	
Federal Funds:		
Correctional Education (F).....	-14	TRANSFERRED: To Department of Corrections (-14).
DEPARTMENT TOTAL	-298	
EMERGENCY MANAGEMENT AGENCY		
General Fund:		
General Government Operations.....	17	NEW: Recovery and Mitigation (3). TRANSFERRED: From Civil Preparedness (F) (14).
State Fire Commissioner.....	1	NEW: Public fire and safety education (1).
General Fund Total	18	
Federal Funds:		
Civil Preparedness (F).....	-14	TRANSFERRED: To General Government Operations (-14).
DEPARTMENT TOTAL	4	
ENVIRONMENTAL PROTECTION		
General Fund:		
Office of Pollution Prevention and Compliance Assistance.....	6	NEW: PRR-Vision for 21st Century (6).
Environmental Protection Operations.....	6	TRANSFERRED: Some Water Quality activity from Environmental Program Management (6).
Environmental Program Management.....	-6	TRANSFERRED: Some Water Quality activity to Environmental Protection Operations (-6).
General Fund Total	6	
Federal Funds:		
Technical Assistance to Small Systems (F).....	8	NEW: PRR-Vision for 21st Century (8).
DEPARTMENT TOTAL	14	
GENERAL SERVICES		
General Fund:		
General Government Operations.....	-1	TRANSFERRED: Group Life Insurance function to Office of Administration (-1)



Summary of 1999-00 Complement Changes

<u>Department / Fund / Appropriation</u>	<u>Increase/ Decrease</u>	<u>Comment on Complement Change</u>
HEALTH		
General Fund:		
Quality Assurance.....	18	NEW: Enhanced Quality Assurance (18).
State Health Care Centers.....	9	NEW: Improving Oversight of Public Bathing Places (9).
General Government Operations.....	11	NEW: Enhanced Emergency Medical Services (3); Strengthening the Oversight of Managed Care (3); Enhanced Epidemiological Capacity (3); PRR-Enhanced Information Technology to Better Serve Pennsylvania (3); to enhance Sexually Transmitted Disease Program (1). ELIMINATED: Expiration of Robert Wood Johnson Foundation funding (-2).
General Fund Total	<u>38</u>	
Federal Funds:		
AIDS Health Education Administration and Operation (F).....	-9	TRANSFERRED: To HIV/AIDS Surveillance (-9).
SABG - Administration and Operations (F).....	5	NEW: Enhanced Quality Assurance (5).
Black Lung Clinic (F).....	-1	ELIMINATED: Program consolidation (-1).
HIV / AIDS Surveillance (F).....	9	TRANSFERRED: From AIDS Health Education Administration and Operation (9).
Federal Funds Total	<u>4</u>	
DEPARTMENT TOTAL	<u><u>42</u></u>	
HISTORICAL AND MUSEUM COMMISSION		
General Fund:		
General Government Operations.....	<u>9</u>	NEW: Historic sites and museums support (7); PRR-Enhancing Information Technology to Better Serve Pennsylvania (2).
INSURANCE		
General Fund:		
General Government Operations.....	2	NEW: Solvency monitoring (2).
Children's Health Insurance Administration.....	<u>2</u>	NEW: Program monitoring (2).
DEPARTMENT TOTAL	<u><u>4</u></u>	
LABOR AND INDUSTRY		
Vocational Rehabilitation Fund:		
General Operations.....	<u>159</u>	TRANSFERRED: Bureau of Blindness and Visual Services from Public Welfare (159).
MILITARY AND VETERANS AFFAIRS		
General Fund:		
Southwestern Veterans Home.....	<u>30</u>	NEW: To continue opening of this facility (30).
PROBATION AND PAROLE BOARD		
General Fund:		
General Government Operations.....	8	NEW: PRR-Protecting Public Safety Through Enforcement, Prevention and Rehabilitation (8).
Sexual Offenders Assessment Board.....	<u>1</u>	NEW: To provide quality assurance (1).
DEPARTMENT TOTAL	<u><u>9</u></u>	

Summary of 1999-00 Complement Changes

Department / Fund / Appropriation	Increase/ Decrease	Comment on Complement Change
PUBLIC WELFARE		
General Fund:		
County Administration - Statewide.....	27	NEW: PRR-Expanding Home and Community-Based Opportunities for Persons with Disabilities (1); Medical Assistance Management Initiatives (23); Enhanced Behavioral Health Oversight (3).
Services for the Visually Handicapped.....	-146	TRANSFERRED: Bureau of Blindness and Visual Services to Labor and Industry (-146).
Mental Health Services (Hospitals).....	-495	ELIMINATED: 1999-00 Rebudget authorized will be 6,397. Anticipated 6/30/00 level will be 6,053 for a total reduction of 495.
State Centers for Mentally Retarded.....	-1,041	ELIMINATED: 1999-00 Rebudget authorized will be 4,835. Anticipated 6/30/00 level will be 4,399 for a total reduction of 1,041.
General Government Operations.....	38	NEW: PRR-Expanding Home and Community-Based Opportunities for Persons with Disabilities (3); Medical Assistance Management Initiatives (15); Human Service Licensing Improvements (4); Enhanced Child Welfare Oversight (8); Strengthening Oversight of Mental Retardation Services (16). TRANSFERRED: Bureau of Blindness and Visual Services to Labor and Industry (-8).
Little Randolph Shephard.....	-5	TRANSFERRED: Office of Blind and Visual Services to the Department of Labor and Industry (-5).
DEPARTMENT TOTAL	-1,622	
SECURITIES COMMISSION		
General Fund:		
General Government Operations.....	4	NEW: To enhance compliance program (4).
STATE POLICE		
General Fund:		
General Government Operations.....	49	NEW: PRR-Information Technology to Better Serve Pennsylvania (49).
TRANSPORTATION		
General Fund:		
Welcome Centers.....	2	NEW: Expand hours at new center (2).
Motor License Fund:		
General Government Operations.....	1	NEW: Office of Legislative Affairs (1).
DEPARTMENT TOTAL	3	
GRAND TOTAL	-896	



Governor's Executive Budget

STATISTICAL DATA

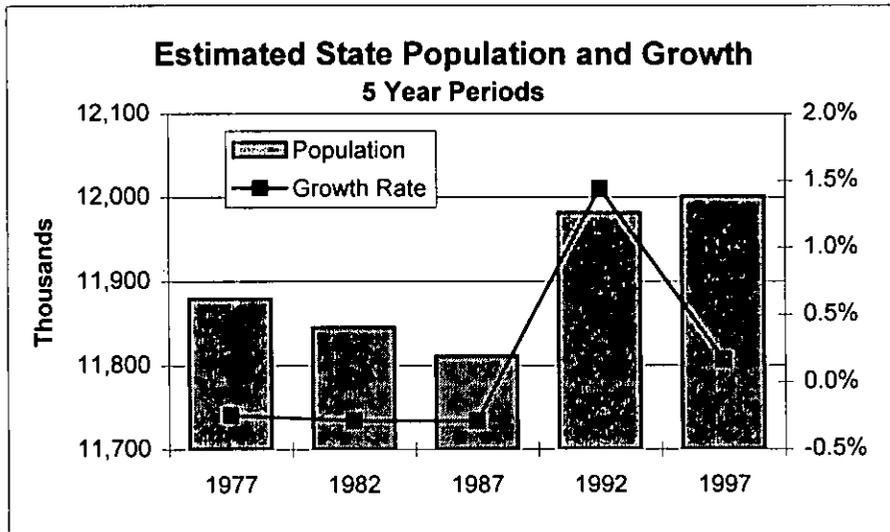


STATISTICAL DATA

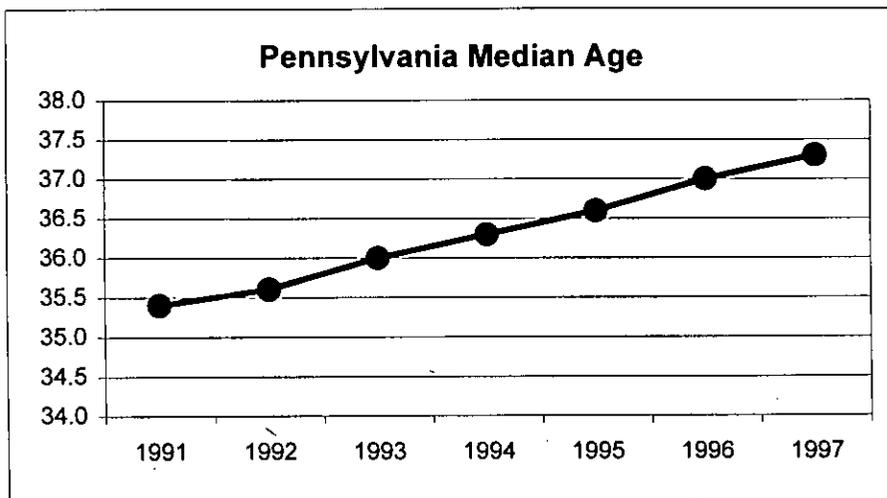
This section contains historical data for various Pennsylvania economic indicators. Data is obtained from published sources noted on each page.

State Population Trends

The following charts and tables present trend information on Pennsylvania's population. The population estimate and growth rate for 5 year periods beginning in 1977 is given in the top chart and table. The bottom chart and table provides the trend for the median age of the Pennsylvania population beginning in 1991. Data is from the U.S. Census Bureau.



Calendar Year	Population Estimate (thousands)	5 Year Growth Rate
1977	11,879	-0.2%
1982	11,845	-0.3%
1987	11,811	-0.3%
1992	11,981	1.4%
1997	12,001	0.2%

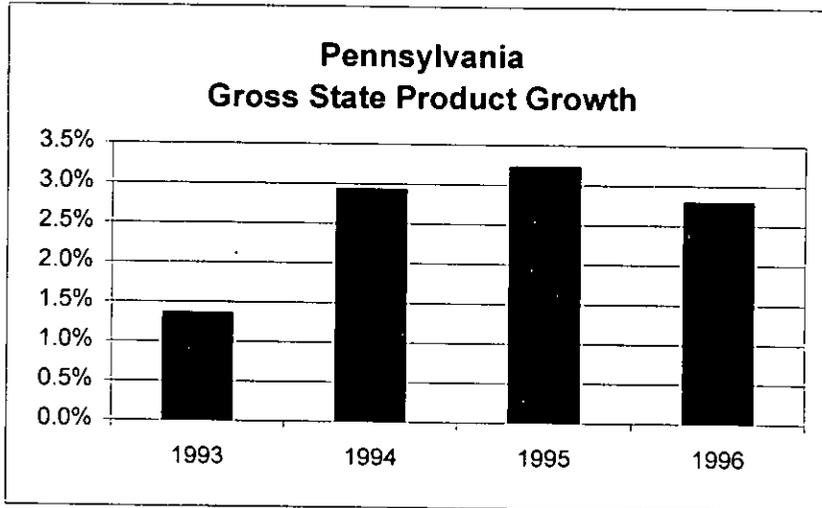


Calendar Year	Median Age
1991	35.4
1992	35.6
1993	36.0
1994	36.3
1995	36.6
1996	37.0
1997	37.3

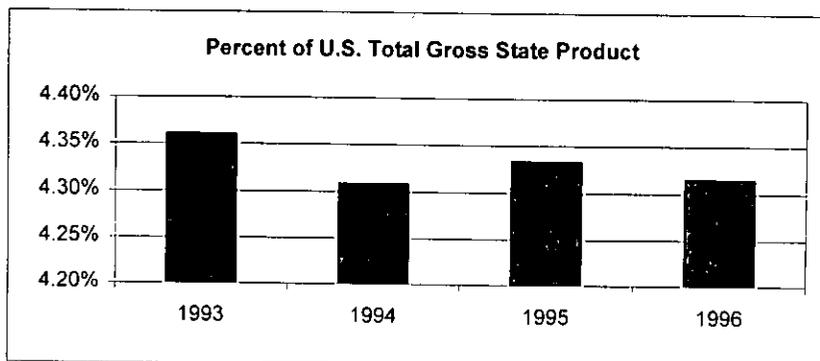


Gross State Product Trends

The following charts and tables present trend information on Pennsylvania's gross state product, the state counterpart of the nation's gross domestic product. Annual estimates of gross state product and its annual growth rate is presented in the top chart and table. Data is available only through 1996. The bottom chart and table shows Pennsylvania's gross state product as a percent of the U.S. total. All data is from the U.S. Bureau of Economic Analysis.



Calendar Year	Gross State Product (millions)	Growth Rate
1993	\$273,556	1.4%
1994	281,559	2.9%
1995	290,623	3.2%
1996	298,726	2.8%
1997	N/A	N/A

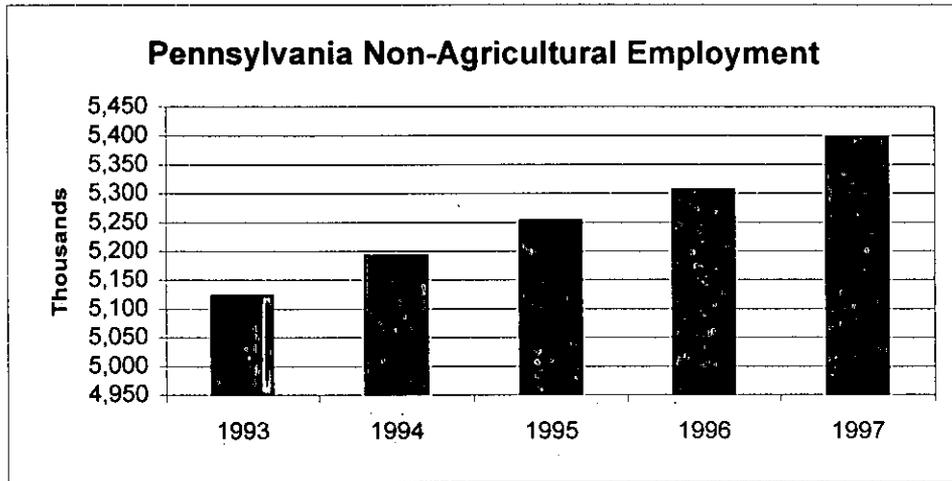


Calendar Year	Percent of U.S. Total
1993	4.36%
1994	4.31%
1995	4.33%
1996	4.31%
1997	N/A

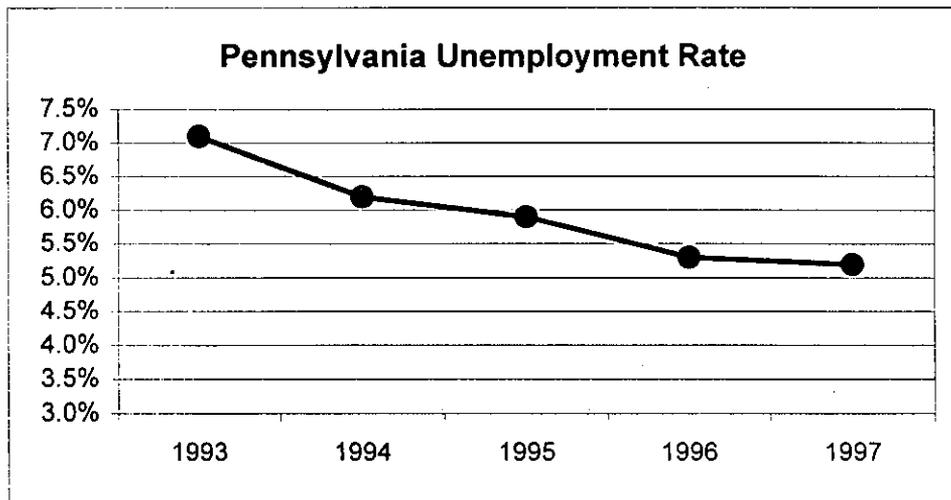
N/A - Not Available

State Employment Trends

The following charts and tables present trend information on Pennsylvania's non-agricultural jobs and its unemployment rate. Annual average non-agricultural job data is presented in the top chart and table. The bottom chart and table provides data on the average annual unemployment rate. Data is from the U.S. Bureau of Labor Statistics.



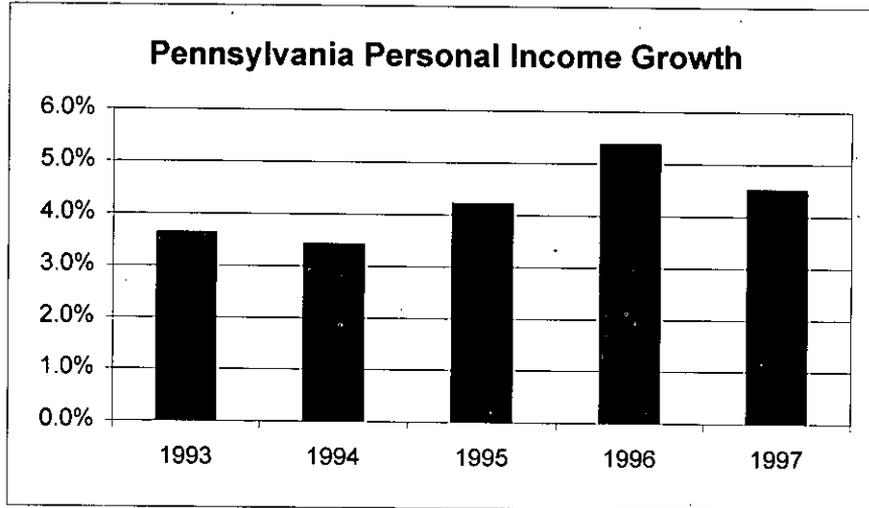
Calendar Year	Non-Agricultural Employment (thousands)	Growth Rate
1993	5,123	0.9%
1994	5,192	1.3%
1995	5,253	1.2%
1996	5,306	1.0%
1997	5,398	1.7%



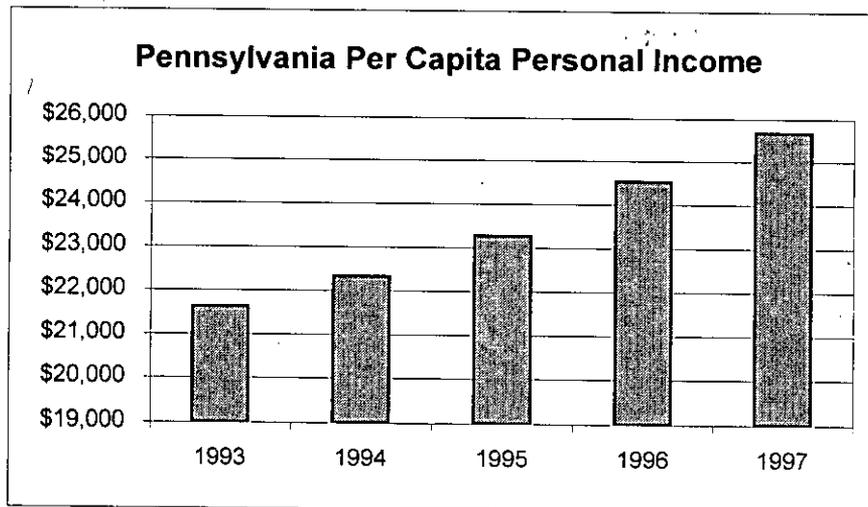
Calendar Year	Unemployment Rate
1993	7.1%
1994	6.2%
1995	5.9%
1996	5.3%
1997	5.2%

State Personal Income Trends

The following charts and tables present trend information on Pennsylvania's personal income and per capita income. Annual personal income and its annual growth rate is presented in the top chart and table. The bottom chart and table provides the trend for Pennsylvania per capita personal income. Data is from the U.S. Bureau of Economic Analysis.



Calendar Year	Personal Income (millions)	Growth Rate
1993	\$260,109	3.6%
1994	269,002	3.4%
1995	280,305	4.2%
1996	295,349	5.4%
1997	308,640	4.5%



Calendar Year	Per Capita Personal Income
1993	\$21,635
1994	22,336
1995	23,270
1996	24,530
1997	25,678

